

To be captains

Edward Alexander Cleve	John William O'Donnell
Douglas Blair Kendrick, Jr.	Fred Howenstine Mowrey
George Walter McCoy, Jr.	Hubert Thaddeus Marshall
James Clark Van Valin	Robert Denton Smith
William Francis Conway	William Byrd Stryker
Lucius George Thomas	William Langford Spaulding
Victor Robert Hirschmann	

DENTAL CORPS

To be lieutenant colonels

Thomas Minyard Page	Lewis Walter Maly
James Boyle Harrington	Glover Johns
Earle Robbins	Leslie Dean Baskin
Roy Albert Stout	Dell Stuart Gray
Roy L. Bodine	William B. Stewart
James Jay Weeks	Roy Raymond Newman
Thomas Joseph Cassidy	Boyd Lee Smith
Howard Austin Hale	Avery Giles Holmes
Walter Davis Vail	George Robert Kennebeck
Clement John Gaynor	Horace Ray Finley
Walter Andrew Rose	Joseph Lyon Boyd
Eugene Alonzo Smith	Richard Foster Thompson
Alvin Ellsworth Anthony	Edwin St. Clair Wren
William Burns Caldwell	William Swann Shuttleworth

To be captains

Arthur Nicholas Kracht	Roy L. Bodine, Jr.
George Thomas Perkins	George Farrer Jeffcott

VETERINARY CORPS

To be colonels

George Henry Koon
Daniel Buchter Leininger

To be lieutenant colonels

Francois Hue Kari Reynolds	Seth C. Dildine
Sawyer Adelbert Grover	Joseph Hiram Dornblaser
Charles Sears Williams	George Leslie Caldwell
Fred W. Shinn	Jacob Landes Hartman
Philip Henry Riedel	John Harold Kintner
Irby Rheuel Pollard	Samuel George Kielsmeier
Frank Caldwell Hershberger	Peter Thomas Carpenter
Clifford Eugene Pickering	Oness Harry Dixon, Jr.
Frank Benjamin Steinkolk	John Wesley Miner
Raymond Randall	George Jacob Rife

To be captains

James Bernhard Nichols	William Francis Collins
Albert Arthur Roby, Jr.	Ray Swartley Hunsberger
Daniel Stevens Stevenson	

MEDICAL ADMINISTRATIVE CORPS

To be captain

Charles Lawrence Driscoll

CHAPLAINS

To be chaplains, United States Army, with the rank of lieutenant colonel

John Ralph Wright	Frank Connors Rideout
Harry Carleton Fraser	Alfred Cookman Oliver, Jr.
John Oscar Lindquist	John Hall
Frank Meredith Thompson	Edward Lewis Trett
Walter B. Zimmerman	Charles Coburn Merrill
Joseph Burt Webster	

To be chaplain with the rank of major

Edward Robert Martin

To be chaplain with the rank of captain

Ralph Emmerson McCaskill

PROMOTION IN THE PHILIPPINE SCOUTS

TO BE LIEUTENANT COLONEL

Rafael Larrosa Garcia

HOUSE OF REPRESENTATIVES

MONDAY, NOVEMBER 22, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, as we wait at the altar of prayer, may we harken unto Thy word. The law of the Lord is perfect, converting the soul; the testimony of the Lord is sure, making wise the simple; the statutes of the Lord are right, rejoicing the heart; the commandments of the Lord are pure, enlightening the eyes. We pray Thee, our Father, to let Thy truth touch the energies of our natures. Convert them into deep resolution, growing self-control, industry, and devotion to duty. We praise Thee for Thy countless providences which save, shelter, and redeem men. May we drink of the spirit of the Master, share His purity, and do good as He did. Grant that we may take counsel together and walk in this Chamber as brothers. In our Savior's name. Amen.

The Journal of the proceedings of Friday, November 19, 1937, was read and approved.

EXTENSION OF REMARKS

Mr. MAVERICK asked and was given permission to extend his remarks in the RECORD.

ESTATE OF JOHN F. HACKFELD

Mr. O'MALLEY. Mr. Speaker, I call up the conference report on the joint resolution (S. J. Res. 67) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the estate of John F. Hackfeld, deceased, and ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 67) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the estate of John F. Hackfeld, deceased, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: "just compensation, not exceeding a sum which will represent, with the amount already paid, the then true value of the corporate stocks and other property herein-after referred to but without any interest on the same, including"; and the House agree to the same.

That the Senate recede from its disagreement to the amendments of the House numbered 2 and agree to the same.

ALFRED F. BETTER,
THOMAS O'MALLEY,
CHARLES R. CLASON,

Managers on the part of the House.

TOM CONNALLY,
WILLIAM H. DIETERICH,
WARREN R. AUSTIN,

Managers on the part of the Senate.

STATEMENT

Amendment No. 1 adopted by the House struck out the Senate provision for "just compensation" leaving as referred to the Court of Claims only the claim for damages and losses sustained. The conference committee recommends a clarifying amendment to the amendment to show that the court is authorized to enter judgment for a sum not exceeding the difference between the amount paid and the true value of the corporate stocks or other property referred to in the body of the joint resolution and that no interest is to be allowed on the amount awarded.

The conference committee further recommends that House amendment No. 2, which provides that the suit shall be instituted

within 1 year of the enactment of the joint resolution, be agreed to by the Senate as being only a reasonable limitation for the time of bringing suit.

ALFRED F. BEITER,
THOMAS O'MALLEY,
CHARLES R. CLASON,
Managers on the part of the House.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AGRICULTURE AND THE TARIFF

Mr. SNELL. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SNELL. Mr. Speaker, I was very much chagrined and disturbed to read in the paper this morning a report from the Bureau of Agricultural Economics which came out yesterday. In this report it is stated that for the first time in the history of the American people the agricultural interests of this country have received the short end of the stick insofar as international trade is concerned in that the imports during the year 1937 will be 18 percent larger than the exports. It specially refers to the fact that these are competitive farm products.

In the face of this statement of facts by a bureau of the Department of Agriculture there is continual propaganda sent out by the administration, and especially the State Department, trying to make the farmers of this country believe that they have benefited by these reciprocal trade agreements. In my judgment this policy has been very detrimental to the agricultural interests of this country, and I believe the best thing this Congress could do at the present time would be to take immediate steps to repeal the power given the President to make such agreements. This would be much more effective and give more immediate relief to the American farmer than the complicated farm measure that is proposed by the administration at the present time. [Applause.] I believe the best thing this Congress can do for the farmers of the country is to give them the full benefit of our home market—the best in the world. I am also strongly opposed to the continual reduction of the tariffs on farm products as carried out by the State Department in its reciprocal trade treaties and agreements. If this Department continues its present course it will not be long before the major proportion of our protection to farm products will be wiped out, and the Lord only knows what will become of the honest, hard-working American farmer.

Mr. COCHRAN and Mr. KNUITSON rose.

Mr. SNELL. I do not yield.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I have seen the statements in the press to which the gentleman from New York [Mr. SNELL] has referred.

The way I interpret them, instead of showing a very unhealthy situation in America, they indicate a very healthy condition. In the first place, they show that the American people at this time have a buying power far in excess of what they had 3 or 4 or 5 or 6 years ago. Furthermore, we may say in support of this position a great many of these agricultural imports are things that we do not raise in this country at all. Certainly a great percentage of them.

I believe if the matter is looked into we will find that the American people now have the power to buy, and this situation is brought about not because our agriculture is being legislated against, but because the American people do have a greater buying power.

Mr. Speaker, I may be alone in still being one of the "reasonably low tariff" people in Congress, but I think that the prohibitive protective tariff in effect in this country since the last tariff act was passed was one of the great contributing causes to the debacle of 1929. I believe it is axiomatic, Mr. Speaker, that when we erect walls around this country so high that the surplus products of the remainder of the world cannot come in in a reasonable degree it practically closes automatically the ports of the world against the commerce of America [applause], because we know, if our study of history and economics has meant anything to us, that money does not cross the ocean to balance the trade of one country with another, but it is a case of goods for goods, and they have always crossed the ocean to balance the trade between this and other countries. Instead of condemning Secretary Hull, I believe that in bringing about trade and commerce between this and the other nations he has performed one of the outstanding services of this generation, which will make him go down in history as one of the greatest and most outstanding Secretaries of State that has ever occupied that position. [Applause.]

Mr. Speaker, under my leave to extend my remarks just made I desire to place in the RECORD a letter written by Secretary of State Hull to Senator CAPPER, of Kansas, which fortifies and justifies what I have just said:

OCTOBER 18, 1937.

The Honorable ARTHUR CAPPER,

Topeka, Kans.

MY DEAR SENATOR CAPPER: My attention has recently been called to reports in the press that you propose to conduct what was described as a "grass-roots campaign" against the reciprocal trade agreements program. It is further reported that you denounced the program as a disguised method of "selling out the farmer for the benefit of eastern manufacturers," and that in support of this statement you cited the increase in imports and decrease in exports of agricultural products in the fiscal year ended June 30, 1937, as compared with the preceding fiscal year. Assuming that you are correctly reported, I feel that it is my duty, as one charged with a heavy official responsibility in connection with the formulation and execution of the program, to bring to your attention relevant facts and considerations which, in my opinion, show not only that your impressions are ill-founded but that as a matter of fact farmers are about the last group in the United States which should oppose the program.

Ever since the inauguration of the trade-agreements program there have appeared, from time to time, in the press and elsewhere statements designed to foster the belief that agricultural interests are being injured. In some cases these criticisms have doubtless been due to misinformation on the part of the individuals concerned as to the facts of the situation. Much of the time, however, the circumstances attending their dissemination are such as to leave no doubt of a deliberate intent to alienate public, and particularly farm, support by means of an incomplete and biased presentation of trade figures. As a result of such distortions of statistics by opponents of the trade-agreements program, many persons who have sincerely at heart both the general public interest and the welfare of the farming population, but who are unable to devote much of their time to a study of the complex facts concerning trade agreements are likely to be seriously misled.

The gist of the argument of those who contend that agriculture has been "sold out" appears to be somewhat as follows: (1) That imports of agricultural products are unduly large and have been increasing rapidly to the great detriment of the farmers; (2) that trade agreements are in large measure responsible for this allegedly unfortunate state of affairs; and (3) that the trade agreements have been ineffective as a means of expanding outlets for farm products. The evidence commonly cited in support of these propositions contains just enough admixture of partial fact, or of half truths with misleading implications, to convey, in a most insidious manner, what are essentially complete untruths concerning this whole situation. An examination of the outstanding facts with reference to the character and trend of our imports and exports of farm products, and of the role played by trade agreements, will show that this is the case.

Before going into these facts, however, it may be well to point out that prices alone furnish strong presumptive evidence that there is something radically wrong with any theory which says that the tariff and other policies of this administration affecting agriculture have been detrimental to the interests of farmers.

In 1932, 2 years after the enactment of the Smoot-Hawley tariff, the average farm price of corn in the United States was 28 cents a bushel; in 1936, it was 77 cents; and for the first 8 months of 1937, approximately \$1 a bushel. In 1932, the average farm price of wheat was 39 cents a bushel; in 1936, 96 cents;

and for the first 8 months of 1937, \$1.17. In 1932, hog raisers got, on the average, \$3.44 a hundred pounds for their pigs; in 1936, they got \$9.17; and for the first 8 months of 1937, \$9.79. In 1932, beef cattle brought the producers, on the average, \$4.07 a hundred; in 1936, \$6; and for the first 8 months of 1937, \$7.62. Butterfat yielded dairy farmers an average of 17.9 cents a pound in 1932; 32.5 cents in 1936; and 32.6 cents in the first 8 months of 1937. Wool growers got 8.7 cents a pound for their wool in 1932; 26.7 cents in 1936; and in the first 8 months of 1937, 31.8 cents. It must be recognized, of course, that the high prices of some of these products in 1937 were largely due to drought; hence prices for 1936 are also given. The drought factor is particularly significant, for example, in connection with the 1937 price of corn; with the harvesting of this year's more normal crop, the price of corn may be expected to recede.

Without going into all the factors affecting these prices, it must be evident that such figures fail to square with the fantastic notion that farmers have been "sold down the river" by this administration, either through its tariff policies or otherwise. On the contrary, what they suggest, and what is the actual fact, is that the real "sell-out" occurred when the Smoot-Hawley Act was passed. That was the time when agriculture received the real body blow from which this administration has sought for the past 5 years, with marked success, to rescue it.

Now let us examine a little this question of farm imports about which so much is heard. Which agricultural imports have increased? To what extent are they competitive with domestic farm products? Why have they been increasing?

From the fiscal year ended June 30, 1934, to that ended June 30, 1937, the value of our agricultural imports increased by \$699,000,000, or 83 percent. Of this total, \$252,000,000 represents increases in the leading imported commodities not produced in the United States and not substituted for the farm products which are produced in the United States. These imports, the principal among which are coffee, tea, cacao beans, rubber, silk, bananas, and spices, compose more than 36 percent of the increase in agricultural imports upon which so much emphasis has been placed. They have no proper place in any discussion of the tariff problem, and are usually lugged in simply in order to swell the total of agricultural imports and thus excite unwarranted apprehension on the part of uncritical observers. Instead of being hurtful, they are well-nigh indispensable; and yet they are paraded as injurious imports.

A further \$141,000,000 of the increase in farm imports is accounted for by increases in the leading items affected by the great droughts of 1934 and 1936. Most of these products we ordinarily export rather than import. In years, however, of extremely poor growing conditions (and hence low yields per acre) we may have inadequate supplies in spite of large acreages originally planted. Under these conditions prices rise sufficiently to make it profitable for foreigners to send us supplementary supplies of the drought-affected commodities. Such imports in no sense displace the products of American farms. They supplement the domestic supply. They relieve shortages of feedstuffs which could not otherwise be relieved. They do not depress prices but, on the contrary, come in precisely because prices are high. They do, of course, tend to check the rise of prices to famine levels. Hence they benefit the many farmers who have to buy feed for their livestock, as well as the ultimate consumer. The leading imports which have been increased in this fashion during the past 3 years are corn, wheat and wheat flour, fodders and feeds, meat products, barley, barley malt, tallow, and butter. In the case of butter, while there is always some seasonal importation in the winter months, there is no doubt that high prices of dairy feed in consequence of the drought have tended to increase prices of butterfat, and thus to attract larger imports of butter over the present tariff of 14 cents a pound. Increases in imports of this general class of items account for over 20 percent of the total against which so much criticism has been directed.

Of the remaining \$306,000,000 increase in agricultural imports during the past 3 years, \$45,000,000 represents the increase in sugar imports. Sugar imports into the United States are subject to strict quantitative control. The quotas for foreign countries are fixed in such a way as to reserve for domestic producers at least as much of our home market as they can supply at a reasonable price. As a matter of fact, the quantity of sugar imports has increased only slightly in the past 3 years. Most of the rise in their aggregate value has been due to higher prices. Under the circumstances, that rise is hardly detrimental to American agriculture.

After deducting these three categories—i. e., the leading imports of commodities neither produced in the United States nor substituted for our farm products, the principal drought-affected products, and sugar—there is a remainder of \$261,000,000, representing the difference between the total increase of \$699,000,000 and the sum total of these three groups. By far the greater part of this is accounted for by commodities which we regularly import in large quantities in spite of high tariffs, because we cannot produce enough of them at reasonable prices to supply our needs. Imports of such products have increased because economic conditions in this country have improved, with the result that we have been using greater quantities of both industrial raw materials and foodstuffs. The increases in the value of imports have reflected both larger quantities entered and higher prices. The leading items in this group are vegetable oils and oilseeds, dutiable types of wool, hides and skins, certain types of nuts, molasses, long-

staple cotton, wrapper tobacco, field and garden seeds, sausage casings, olives, and dates. These enumerated items account for \$178,000,000. The remaining \$83,000,000 is made up of a large number of small items distributed throughout all of the categories above mentioned (except, of course, sugar).

Thus, in summary, the figures with reference to the increase in our agricultural imports between the fiscal year ended June 30, 1934, and the fiscal year ended June 30, 1937, stand as follows:

Excess of 1936-37 imports over 1933-34	
Group:	
1. Products not grown in the United States or substituted for domestic farm products (major items only)-----	\$252,000,000
2. Products the imports of which were affected by the great droughts of 1934 and 1936 (major items only)-----	141,000,000
3. Sugar-----	45,000,000
4. Products normally imported in large quantities because we cannot produce enough of them at reasonable prices to supply our needs (major items only)-----	178,000,000
5. Residual of small items distributed throughout groups 1, 2, and 4 above-----	83,000,000
Total increase in imports of farm products, 1933-34 to 1936-37-----	699,000,000

The assumption that large imports of agricultural products denote distress to farmers is not warranted. Agricultural imports exceeded \$2,000,000,000 every year from 1925 to 1929, and in none of these years was domestic production curtailed by drought to anything like the extent experienced in 1936. As a matter of fact, there is a direct correlation between imports and farm income. For example, in 1929, when farm income amounted to nearly \$12,000,000,000, agricultural imports totaled \$2,218,000,000. In the succeeding depression years farm income and agricultural imports declined in about the same degree, both of them reaching a low in 1932, when income was \$5,337,000,000 and imports \$668,000,000. Since then the two have increased again, with imports only a little larger in proportion to farm income than previously, and this is fully explained by the droughts of recent years and the rapidly increasing imports of agricultural raw materials in consequence of economic recovery. I take it that you would not view the latter of these causes as a matter for regret.

There is no basis whatever for the belief that duty reductions in reciprocal trade agreements have been a major cause of the increase in agricultural imports in the past year. This is strikingly shown by a comparison of the increases since the trade agreements became effective in items upon which the duty has been reduced and those on which it has not. Most of the trade agreements, other than the one with Cuba, went into effect between May 1935 and June 1936. Accordingly, by segregating items on which duty reductions have been made in trade agreements and those on which no reduction has been made and comparing imports in the first half of 1935 with the first half of 1937, an indication can be had of the relative importance of duty reductions and other factors in increasing imports.

Take, for example, foodstuffs. The figures show that, excluding sugar, imports of which are regulated by quotas, there was a total increase of \$112,643,000 in imports of the principal foodstuffs in the first half of 1937 as compared with the same period 2 years earlier. But note how this was comprised. Of the total increase, \$56,544,000—more than half—is accounted for by dutiable foodstuffs or foodstuff groups upon which duties were not reduced. A further \$42,410,000 is accounted for by free-list items—on which, obviously, there could be no duty reductions. These two groups, on which there were no duty reductions, account for 88 percent of the total. A third category which is somewhat, but not primarily, affected by duty cuts (groups of dutiable foodstuffs on less than half of which duties were reduced) accounts for \$7,589,000, or some 7 percent, of the total increase. Finally, there is the group consisting of dutiable foodstuffs or foodstuff groups, including wrapper tobacco, on more than half of which the duties were reduced. This group accounts for just \$6,100,000, or 5 percent, of the total increase. It is of interest also to note that imports of dutiable foodstuffs on which no tariff reductions were made increased by 77 percent, whereas imports of that group of foodstuffs on the greater portion of which the duties were reduced, increased by only 41 percent. (Imports of "free list" foodstuffs increased by 33 percent; and of foodstuffs not primarily subjected to duty cuts, likewise by 33 percent.) It is clear from these figures that factors other than trade agreements must have been chiefly responsible for the increases in imports which took place.

A complete list of changes in import duties since the passage of the Tariff Act of 1930, prepared by the United States Tariff Commission, is enclosed.

While the concessions that we have granted with respect to agricultural products have been unimportant to our farmers, the value of the agricultural concessions obtained from other countries is considerable. In spite of the extreme policies of protection for agriculture in many foreign countries and the consequent difficulty of obtaining concessions on agricultural items, tariff and tax reductions, and liberalization of import quotas have been obtained on agricultural commodities which comprised about one-third of our 1929 agricultural exports to the countries with which agreements have been concluded. Duties on agricultural products constituting almost another third of imports have been bound against increases

during the life of the agreements, thus bringing up to some 60 percent the value of all agricultural products favorably affected. Especially valuable concessions were obtained from Canada, which country reduced its duties on about 125 agricultural and horticultural products imported from the United States.

While significant increases have occurred in exports of a number of agricultural products for which concessions have been obtained, the full benefits have not been realized up to the present time because of greatly reduced surpluses or actual shortages of some of the most important farm products in consequence of severe droughts. I am enclosing a list that enumerates the important export products benefiting from reciprocal trade agreements signed up to May 1, 1937.

The direct concessions obtained for exports of farm products do not by any means, however, suffice as a measure of the benefits of the trade agreements to agriculture. What is altogether too commonly ignored are the indirect benefits. When increased foreign outlets are obtained for our industrial exports, that inevitably results in expansion of economic activity and employment in our cities and hence a better market at home for American farm products. When it is recalled that our industrial exports were reduced by over two and one-half billion dollars between 1928-29 and 1932-33, the magnitude of the sums involved is apparent. If we regain a substantial part of this lost trade in consequence of trade agreements, as we are already commencing to do, the results, in terms of increased employment and purchasing power for products of both farm and factory, right here in our own market, will be tremendous.

Another indirect benefit to agriculture resulting from the trade agreements is their tendency, insofar as they increase outlets at home and abroad for such products, to check the diversion of land and labor from production of export crops to crops raised for domestic consumption. An outstanding example of this is cotton, exports of which have been reduced by lack of buying power in many foreign countries and by other factors. Unless export outlets for cotton are maintained, large areas in the South will ultimately be used for the production of farm products which in the past have customarily been purchased from the Middle West.

It hardly needs to be recited that as a general proposition agriculture stands to gain far more by a liberal commercial policy and to lose far more by a high tariff than other elements of our population. The price of the bulk of what the farmer produces is governed by world prices and no amount of tariff can increase his return. What the farmer buys, on the other hand, is protected and, more often than not, the cost is higher as a result of import duties than it otherwise would be. The trade-agreements program, by lowering excessive duties in exchange for concessions by other countries, is designed to lessen this discrepancy. Opponents of the program, whether intentionally or otherwise, are in effect advocating the perpetuation of a long-standing policy of tariff discrimination against the farmer.

Those who continue to advocate higher import duties to protect the farmer seem to forget the terrible experience that we had with excessive tariffs only a few short years ago. The misery and confusion that befell our people in the years prior to 1933 were felt by none more acutely than the farmer. The Smoot-Hawley tariff, which was protectionism run amuck, ushered in the most disastrous period in the history of American agriculture. In my opinion, no greater disservice could be rendered to our farm population than by alienating their support of our present liberal trade policy, which is not only the most effective way of safeguarding our farmers from a return to the conditions prevailing under the Smoot-Hawley Act, but is also the policy which offers the only solid foundation for peace.

Sincerely yours,

CORDELL HULL.

The SPEAKER. The time of the gentleman from Texas has expired.

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, this is District Day and that committee would have had the day, but the committee, through its chairman, has informed me they are not ready to proceed.

EXTENSION OF REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a radio address delivered by myself over WCKY.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. MAPES. Mr. Speaker, I ask unanimous consent that I may be allowed to proceed for 15 minutes after the special orders which have been made today.

The SPEAKER. Is there objection?

There was no objection.

Mr. SCOTT. Mr. Speaker, I ask unanimous consent that at the conclusion of the special orders which have just been granted I be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. THOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address delivered by me over the radio in Canton, Ohio, on the unemployment census.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to extend his remarks at this point in the RECORD. Is there objection?

There was no objection.

GOVERNMENT MONOPOLY HAS CAUSED THE SHARP RISE IN LIVING COSTS

Mr. THOMAS of New Jersey. Mr. Speaker, President Roosevelt has just requested the Federal Trade Commission to investigate certain monopolistic activities with a view to determine to what extent they have a bearing on the increased cost of living. It is inferred from this that the President may believe that monopolistic activities are responsible for our present high cost of living.

This latest move of the President has undoubtedly been made in all sincerity; but if the President truly believes that our rapid rise in cost of living is mostly due to monopolistic conditions existing in this country today, he has been badly advised.

I do not pretend to be an economist or even a statistician, but I do know as a businessman and one who pays all kinds of taxes that the high cost of living in this country today is due in most part to our present topheavy cost of government. The ever-increasing extravagant aims and desires of the politicians, both big and small, have built up a governmental structure which is placing a tax burden on the people's backs far out of line with their willingness and ability to bear.

These taxes, unlike in the old days, when only property owners or the rich, or both, assumed the load, are now being forced upon all the people—the heaviest load being on the people least able to pay. When one considers that 25 percent of every dollar earned by the people of the United States is paid to the Government in the form of taxes, either direct or indirect, to support the costs of administering the Government, and that 89 percent of the revenues now derived from administering the Government are taken from persons earning less than \$5,000 per year, then one does not have to look very far to determine what has caused and is causing an increase in the cost of living.

The politicians, of course, have tried to cover up their extravagant ways by taxing the people, including that one-third whom the President has termed the ill-fed, the ill-clothed, and the ill-housed, via the hidden route.

But the people are awakening to the politicians' shell game of taxation and are beginning to demand more tax knowledge; and if a Congressman's mail is any indication, they are even beginning to demand tax relief.

As taxpayers they are entitled to every bit of tax knowledge that our Federal Government and governmental subdivisions can give them. As taxpayers they should only be compelled to pay a tax commensurate with their ability to pay and nothing more than is absolutely necessary to carry on an efficient, economical form of government, which, of course, includes adequate relief for the worthy unemployed.

Those of us who represent the people are therefore responsible in seeing that the taxpayers, who are now all of the people, are protected from extravagant governmental tendencies. We are the trustees for the taxpayers' funds as well as the guarantors of the taxpayers' peace and happiness.

Consequently it is our duty to investigate all of the things and immediately the clearly important ones that have so apparently brought about our present high cost of living. To stop with an investigation of monopolistic activities is both wrong and unjust. We must by all means accompany the

Federal Trade Commission's investigation with another investigation of the various taxes which go to make up the wholesale and retail price of commodities. We must not allow even the President of the United States to draw a red herring across the hottest trail. If we do, it will be a breach of our trusteeship and guaranty to the people.

Therefore I would like to call the attention of the Members of the House to House Joint Resolution 409, introduced by me on June 14 of this year and now in the Committee on Ways and Means, which resolution requires—

First. That a study and survey of all taxes which are required to be paid by any persons engaged in the business of manufacturing or processing on major food commodities, whether such taxes be paid to the United States or any State, Territory, or District government, be undertaken by the Department of the Treasury under the supervision of the Secretary of the Department of the Treasury or such assistants in said Department as the Secretary may designate.

Second. That the Department of the Treasury shall submit a written report of its study and survey to the next session of Congress, and shall embody in its report specific drafts of legislation which will require all persons engaged in the business of selling major food commodities to label such commodities in a manner that the purchaser for use may readily find such marking at the time of purchase and ascertain the amount of taxes which have been assessed or paid in the course of manufacture or processing of such particular major food commodities.

If this resolution and its resultant tax-label legislation should pass, I am positive that at least two things will be accomplished:

First. That we will have a clear picture of what hidden taxes are being placed on food; and

Second. That the people will become more tax conscious by continually reading the tax labels on the food purchased by them.

So it is my hope that the Ways and Means Committee will regard the resolution in a nonpartisan light and report the same favorably at an early date to the House, where all the Members of Congress will have an opportunity to show by their actions that they, too, believe that we should investigate immediately the outstanding thing which has so greatly increased the cost of living.

I personally am certain also that Government monopoly rather than business monopoly has contributed more to the sharp rise in living costs. That practically every single item of food is pyramided with certain Federal taxes; that the practice of hidden taxes has become a vicious one, and that it can only be halted when the public is permitted to know how much of each dollar spent on food is gobbled up by the Government in this unseen manner. There will only be a downward revolution in the cost of living when the public becomes tax conscious in its entire buying habits. That point will be reached when hidden taxes are driven in the open and the Federal Government is forced to seek revenue in a more equitable way.

EXTENSION OF REMARKS

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to extend at this point in the Record my remarks made before the Northwest Mining Association.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, of late we have heard and read so many misleading and erroneous statements concerning the Government's silver-purchase program that, with the indulgence of the Members of the House, I desire to present the facts concerning silver for their consideration.

PRESENT STATUS OF SILVER

Before proceeding to discuss the status of silver today, let us review briefly the history of our Nation's monetary system since silver was demonetized in 1873. I find that the effect of discarding silver as a basic money has been to force the Government to adopt one substitute after another for silver in

our currency system, and that these substitutes have failed to meet the requirement of the American people for a stable monetary system, a failure that has resulted in price declines and depressions and which has caused the people of the United States incalculable losses and business recessions.

Let us turn to the record of the substitute measure for silver as a basic money. To relieve the financial depression following the demonetization of silver in 1873, Congress passed the Bland-Allison Act in 1878, which provided for the purchase of a limited amount of silver at a dollar an ounce. The Bland bill, as it was passed by the House, remonetized silver at the ratio of 16 to 1, which was amended in the Senate by Allison to a Silver Purchase Act. This law was later changed by the Sherman Purchase Act by increasing the amount of silver to be purchased at a dollar an ounce from 4,000,000 to 4,500,000 ounces per month, to be paid for with Treasury notes.

Had this act provided that the silver purchased would be paid for with silver certificates, redeemable in silver dollars as the Government does today, the bankers who were opposed to silver would not have been able to embarrass the Government and discredit silver by demanding and securing the redemption of the Treasury notes paid out for silver in gold which drained the Treasury's gold reserve on hand to pay the interest and principal on outstanding Government bonds which were payable in gold. The long struggle that followed over silver and the success of the bankers and financiers in having the Purchasing Act repealed, followed by a period of business prosperity resulting from boom period in the production of gold, has served to fix in the public mind the illusions that silver is unnecessary in our monetary system, and its use as money is a form of subsidy to the silver miners.

After the repeal of the much-debated Sherman Silver Purchase Act, unprecedented developments in the gold producing industry seemed for a time to provide the necessary volume of basic money to stabilize our currency system as a foundation for the business prosperity for a brief period following the monetary struggle of 1896. I refer to the discovery of gold in the Klondike, the perfection of the cyanide process for working low-grade gold ores, and the discovery and production of the gold mines of the Rand in South Africa when the world's gold stock was more than doubled in the short period following. I believe statistics show that the world's gold stock increased from five and one-half billion to twelve billion between 1896 and 1910, during which period the flow of new gold into the channels of trade and business provided for the steady increase in the volume of basic money to meet the fundamental requirement of economic law, that the volume of money must increase and keep pace with the growth of population and expansion of business. At the close of this period in our financial history when the demand for money again outran the production of gold, with the resultant fall in price levels, our Government found it necessary to devise and adopt another substitute for silver—the Federal Reserve Banking System and the Federal Reserve bank note—in short, a managed currency supported by interest-bearing obligations classed as "eligible paper" modeled very closely after the English system of bills of exchange. This substitute was proclaimed as the final solution of our monetary problem by establishing a system in which we were enabled to conduct our business with money based on the natural wealth of our country. But in 1929 we awoke to the fact that, like all other substitutes for silver, the Federal Reserve System had failed most disastrously, and when it seemed that at last, in the light of reason backed by experience, our Government would establish a stable monetary system based on the age-old and proven automatically controlled metallic money system using the precious metals, gold and silver, at the ratio fixed by nature—16 to 1—was to be established as the foundation on which business would be reconstructed. The bankers and financiers intervened to successfully protect their interest-yielding monetary system by drawing on the collective credit of the people of our Nation and estab-

lished the Reconstruction Finance Corporation, another substitute for silver money, and here we find the greatest reservoir ever built for the storage of accumulated wealth out of reach of taxation. Remember the lending of the R. F. C. is financed by the sale of tax-exempt Government bonds. Instead of remonetizing silver to provide an adequate workable monetary system and release us in part from the tribute we were paying in good American products to the producers and manipulators of gold, we devalued our dollar and increased the price of the commodity, gold, 70 percent of which is produced in the British Empire, by \$14.33 an ounce, overlooking the fact that by remonetizing silver we would have effectively devalued gold and enhanced the value of the commodity, silver, produced principally in our hemisphere and largely as a byproduct of our mining industry, so much for the substitutes for silver.

Now we find our Nation is \$36,000,000,000 in debt, which in a large measure can be charged to the failure of our Government to provide our people with a stable and adequate money system, and on which we must raise over a billion dollars annually to pay what is glibly called by financiers "the service charge on the national debt." Do not forget, it is interest on tax-exempt Government bonds. We are still floundering in the morass of financial uncertainty with our money problems still unsolved. Can anyone even begin to compute the loss sustained by the American people due to the failure of our Government to establish an adequate workable monetary system based on a stable monetary unit so aptly described by President Roosevelt when he said:

The United States seeks the kind of a dollar which in a generation hence will have the same purchasing and debt-paying power as the dollar value we hope to attain in the near future.

In other words, a stable dollar.

In coming to the present status of silver in our monetary system and keeping in mind the effect of the money shortage in recent years and the loss that has been sustained by the American people due to the failure of the Government to provide the necessary volume of money to meet the requirements of business, the fundamental principle involved and the facts concerning the administration's silver-purchase program, with the benefits that have been derived from this program by the American people, it is disconcerting to find that many newspapers which I feel must be interested in the continued prosperity of our people and a development of our mining industry are publishing misleading statements contained in the propagandized syndicated articles on silver emanating from eastern sources.

It is apparent that this is a part of an insidious propaganda waged by selfish interests against the Federal Government's silver policy, a money program that has made the greatest contribution in history to the rehabilitation and stability of our monetary system. The propagandist writes:

Most everyone will agree that silver is useless, because we have no need for it in our currency structure.

What are the facts with reference to the Government's silver policy, how does it operate, and what effect has it on business and the welfare of the American people? Every ounce of silver the Government has is in use as money, the great bulk of it circulating in the hands of the American people in the form of silver certificates, in bills of smaller denominations. The dollar bills so popular in the East are exclusively silver certificates, and when we consider the velocity with which these small bills circulate, it is apparent that a much larger proportion of business is handled by these silver certificates than by the larger Federal Reserve notes.

Surely this propagandist had access to the daily balance sheet of the Treasurer and must know the facts about silver. Let us turn to the Treasury Statement of August 12th (the date on which one of these articles appeared). On the credit side of the Treasury Statement we find that the silver on hand in dollar value is a billion and a third. To give the exact item:

Silver.....	\$864,674,680.31
Silver dollars.....	505,222,611.00
Total.....	1,369,897,291.31

On the debit side we find that almost a billion and a third of this silver is out in circulation in the form of silver certificates; to be exact:

Silver certificates outstanding.....	\$1,325,539,111.00
Treasury notes of 1890 outstanding.....	1,171,922.00
Silver in the general fund.....	43,186,258.31

With the exception of the money derived from the devaluation of gold which is in a stabilization fund and is not in circulation we must remember that this money (silver certificates) in circulation is the only money-issue of the Treasury in which the American people is making a profit, and most important of all this money circulates in the hands of the people without yielding interest to any issuing bank.

There is carried in the Treasury balance sheet of this date the item of \$369,882,927.45 silver seigniorage, representing the Government's profit on silver. Disregarding these facts, the propagandist has the nerve to tell us that "the program is actually a tax upon the American people."

Now what is wrong with the Government's silver policy as these bankers see it and the real reason for the opposition of the big bankers and money changers expressed through their paid propagandist?

It is a simple fact that they, the bankers, are losing the interest on this money that is in circulation, which can be conservatively estimated at \$30,000,000 a year, calculated at 3 percent on an even billion dollars, which would flow to the bankers if the silver certificates were retired and replaced by Federal Reserve notes.

If we can obtain the exact figures on the amount of interest that would be collected on the "eligible paper" required by the bank to support a billion dollars worth of Federal Reserve notes to be issued into circulation, to replace the outstanding silver certificates, doubtless we would find that the interest would be considerably in excess of the estimated \$30,000,000.

When we take these facts into consideration is there any wonder that there is an organized propaganda to discredit the Government's silver program?

The propagandist says, "We must realize and recognize that a silver certificate occupies exactly the same place in our currency structure as does a bill that is backed by gold or one that is issued by the Federal Reserve banks."

But let me call attention to the vast difference between a dollar circulating as a silver certificate based on seven-eighths of an ounce of silver valued at \$1.29½ an ounce, with a profit to the Government of 52 cents an ounce, circulating in the channels of trade interest free, and a dollar circulating as a Federal Reserve note loaned into circulation by a bank at a current rate of interest based on interest-bearing, eligible (commercial) paper, which in turn is based on fluctuating commodity prices, with a 40-percent gold coverage or Government bonds—a dollar which must be supported during the entire time that it is in circulation by interest-bearing obligations—a dollar which under the rules of the Federal Reserve Banking System will be automatically retired from circulation when unfavorable business conditions restrict business borrowing, with a resultant contraction of the volume of the money in circulation and consequent fall in price levels with such disastrous effect on business and employment as we have seen.

Let us compare the difference between money that circulates interest free and money that must yield current rates of interest to bankers for every day it remains in circulation, and decide if we will be among "the voters who will wake up to the necessity for the repeal of the Silver Act."

After the bitter experience of the American people during the period of the low price for silver and the irretrievable losses that have been inflicted on many of us, I doubt that the majority of the American people will again be fooled into cutting off this important source of basic money on

which our credit structure rests, or upset price stability by dumping our silver on the world market, thereby contracting our money volume by withdrawing our interest-free silver certificates from circulation.

Let us hope that, for the good of our Nation, the security of our investment, the relief of unemployment, and the continuation of business prosperity throughout the country, the American people are informed on money and will not be misled by vicious propaganda, and that the schemes of the money changers to discredit silver and increase the interest load on the American people will fail.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to proceed for 30 seconds.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, in any consideration of the relation between the undistributed-profits tax and the present business depression, I believe that the rule of reason should be applied, and in considering it from that point I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, we are in a business slump. The President alluded to it in his message. If further evidence is needed, the November report of the Federal Reserve Board shows a downward trend for freight-car loadings, factory pay rolls, factory employment, construction, and industrial production. Residential construction is especially quiet. Taking the 1923-25 period at 100, the index for residential construction stood at 44 in August and dropped to 38 for September.

Business slumps are bad. To labor they mean shortened workweeks or unemployment and diminished purchasing power. To the farmer they mean an impaired domestic market for farm products. To retailers they mean diminished sales volume. To industrialists they mean expense and uncertainty. To those administering the Government they are ominously prophetic of increased relief and unemployment relief funds.

This downward trend must be stemmed. It is not a political or partisan problem. It is a national problem. There may be some who can find political comfort in a business recession because it brings embarrassment to those who have been shaping and charting national policies. I can find no such comfort. No matter how a business recession came about, it brings pain, anguish, unemployment, distress, and loss in its wake. Only one fact stands out: This condition needs attention, and the sooner the better. Perhaps more than one remedy is necessary to effect a cure. Some contend that no remedy is the best remedy. They are like the sick Chinaman, who said: "Me gettee sickee. Me callee Dloctor Sing Lee. Me gettee more sickee. Me callee Dloctor Wong Sin. Me gettee more sickee. Me callee Dloctor Moy Wing. He no come. Me gettee bletter."

I can, however, think of one remedy that may be partly efficacious and which represents an attempt to cure this condition: It consists of a revision, modification, or alteration of the surtax on undistributed profits.

It must be recognized, however, that if it is to be revised so as to result in a loss of revenue, this revenue must be found in a different source. To repeal or revise this tax without a substitution of other revenue could only mean a more pronounced unbalancing of the Budget.

At the time the bill embodying the surtax on undistributed profits was before the House I suggested retaining the existing corporate income, excess-profits, and capital-stock taxes with an increase in rates. Instead, the rates of the three last-named taxes were reduced and the surtax on undistributed profits was added. Now the Congress is faced with a demand for modification of this tax on the ground that it has injured the smaller corporations.

Perhaps a concrete appraisal of all corporate taxes would not be amiss. First comes the capital-stock tax. It consists of an excise tax of \$1 per \$1,000 of the adjusted de-

clared value of the capital stock of a corporation. The corporation makes its own declaration of value. It can set any price on its stock that it desires. This looks alluring. It contains a stinger, however, because the excess-profits tax is closely linked with the capital-stock tax. Under the 1935 law, 10 percent of the declared value of the capital stock may be deducted from net income before the excess-profits tax applies. If the capital-stock value is placed high, the deduction is correspondingly higher and the excess-profits tax is reduced. If the value of the stock is placed at a low valuation, the deduction is less and the excess-profits tax is therefore higher. Now comes the tax. In fact, it is two taxes. It consists of 6 percent on that part of the net income which is in excess of 10 percent but not in excess of 15 percent of the adjusted declared value of the capital stock and 12 percent on the balance that remains after this 10-15-percent item has been deducted from the net income that is subject to excess-profits tax. Next comes the corporate income tax, ranging from 8 percent on the first \$2,000 of adjusted net income to 15 percent on all over \$40,000 of such adjusted net income.

In addition to these, we have the surtax on undistributed profits. This must not be confused with the surtax which is levied on corporations that are formed for the purpose of improperly accumulating profits for shareholders nor with the surtax that is levied on personal holding companies. The surtax on undistributed profits is levied on most private corporations, with some exceptions, regardless of the reason for its failure to distribute profits to its stockholders. In general, it is computed as follows: The adjusted net income of a corporation is determined by taking its net income after all allowable deduction and deducting from such net income the normal income tax which it pays and also the interest received on Government obligations. From this adjusted net income a further deduction is permissible as a credit for dividends paid and also a credit for the restrictions that might be imposed upon a corporation by contract against the payment of dividends. The undistributed net income thus ascertained is then subject to a progressive tax which begins with 7 percent on that portion of the undistributed income which is not in excess of 10 percent of the adjusted net income and runs to 27 percent of that portion of the undistributed net income which is in excess of 40 percent of the adjusted net income. In the case of small corporations whose adjusted net income is less than \$50,000, a specific credit is allowed. This credit is equal to that portion of the undistributed net income which is in excess of 10 percent of the adjusted net income but not to exceed \$5,000.

In the case of a small corporation with an adjusted net income of \$35,000 and an undistributed net income of \$15,000, the specific credit would be only \$1,500. The tax on such a corporation, if it failed to distribute the profits would be 7 percent on the specific credit of \$1,500, 7 percent on the next \$3,500, 12 percent on the next \$3,500, and 17 percent on the next \$6,500, making a total tax of \$1,875 in addition to all other aforementioned taxes. Manifestly, such a tax in addition to all other taxes is burdensome enough on any business enterprise but it is particularly onerous upon small corporations.

To how many corporations do these taxes apply? Covering the year 1936, 564,379 corporations filed corporate income-tax returns, 592,195 filed returns under the capital-stock tax, and 170,359 corporations paid corporate-income taxes. Unfortunately, a current break-down of the number of corporations for 1935 and 1936 are not available for the purpose of determining which are small and which are large. However, some idea can be gleaned from the statistics for 1933 as carried in the Statistics of Income for 1933, issued by the Treasury Department. Out of 109,786 corporate returns which showed net income, 103,686 were under \$50,000. That indicates that 94 percent of all corporations reporting net income were under the \$50,000 net-income class. To be sure, allowance must be made for the fact that 1933 was a most abnormal year, but even when such allowances are made, it is only too apparent that the vast majority of corporations are

in what might be termed the "small corporation" class. Here then is a starting point for our deliberations on this subject.

Now let us proceed to a discussion of the genesis of the surtax on undistributed profits. It is not a new idea. It was advocated as early as 1920 by Mr. Houston, Secretary of the Treasury. Since then it has been advocated or recommended by other students of taxation and taxation agencies, notably the National Tax Association. While the idea is not new, its earlier proponents scarcely had in mind carrying it to the extent that was finally embodied in the bill as passed by Congress.

Its purpose, of course, was obvious. Retained profits in the hands of the corporation were not taxable and there was thereby developed a huge reservoir of retained profits, which, if made subject to taxation, might conceivably raise the \$620,000,000 that was estimated to be needed to cover the bonus and soil-conservation requirements and thus prevent inroads upon existing revenues. The alluring prospect, however, failed to take into account the economic effects of the tax. I can see both the need and justification for some sort of tax that will prevent impounding of dividends to the point where the Federal Treasury suffers, but while recognizing these virtues, it becomes all the more necessary to set up such a tax as to rates and credits as will do no specific harm to the business structure.

Now for a brief examination of this new tax and its economic and business effects.

First. It creates an inequity of treatment as between large and small corporations. For one thing, large corporations can avoid the tax by issuing stock dividends instead of paying cash. They have the facilities for so doing. They have the legal equipment to do so without difficulty. They have a large capital structure, and it will not be so easily distorted by additions to that structure in the form of stock dividends. And, finally, they are on good legal ground, because the Supreme Court, in the case of Eisner against Macomber—1920—and the case of Koshland against Helvering—1936—recognized that within certain limits stock dividends are not taxable in the hands of the holder. Little corporations, on the other hand, cannot resort to these practices without undue trouble and expense, and thus the law makes it possible for large corporations to avoid without a similar benefit to small corporations.

Second comes the familiar contention that the tax has prevented small corporations from plowing back their earnings so that they might expand their business. To be sure, an effort was made to assist small businesses by reducing corporate rates on the first \$40,000 of their income and by providing a specific credit, but neither of these have accomplished much good for a number of reasons. The reduction in corporate rates was quite small. The specific credit for corporations with income under \$50,000 has been so interpreted by the Treasury as to make it small indeed and of little consequence. And, finally, if the maximum benefit of both of these provisions are taken into account, the surtax still operates to penalize the expansion of small business and compels them to borrow money into the market for that purpose. This fact is significant in its relation to unemployment. If it is agreed that we need plant expansion and expanded production, particularly on the part of scattered small corporations, to take up unemployment slack, this tax has divested them of all incentive for so doing, and it therefore operates to freeze unemployment.

Third. Small corporations have still another complaint in that the tax operates to penalize those corporations that have had a turbulent time weathering the depression and now need these earnings with which to retire debts that have been incurred. To be sure, this story, like all stories, has two sides. If debts have been incurred for plant expansion, such capital expansion redounds to the credit and enhances the value of the holdings of the stockholders.

That is a bit legalistic. On the other side is the economic aspect. Small corporations seemingly must borrow proportionately more and must borrow oftener than large corporations with huge assets, and use borrowed money for current

accounts that less frequently represent plant expansion but rather expansion of production. If they are to be penalized for holding earnings that are intended for debt payment but must now be paid out to stockholders, it not only jeopardizes the safety and solvency of such small corporations but it is again reflected in freezing unemployment. At this point a queer case comes to mind, namely, that of a corporation that sought to retire its indebtedness to the R. F. C. out of earnings but could not do so without making itself liable to the surtax. There is a provision in the law that a proportion of the earnings may be set aside to pay debts but only where a written contract existed before May 1, 1936, specifically earmarking such earnings for that purpose. Doubtless pre-existing debts have been incurred where there is no contractual undertaking for their repayment out of earnings and yet the law prevents their payment out of earnings without becoming liable for the tax so that, in effect, it imposes a penalty on a company for paying its debts. Such debt payment may in many cases spell the difference between staying in business or going out of business but the present law takes no account of that consequence. Moreover, the term "debt" as used in the law does not embrace the obligation running from the corporation to its stockholders so that payment into a sinking fund to retire stock as required by some previous arrangement would not free the corporation from paying the tax on the earnings retained and used for that purpose. All in all, it may be said that the tax as now set up distinctly penalizes well-intentioned small corporations that are only now getting on their feet after the ravages of the depression, and, surely, it was not intended that the law should work in such fashion as to jeopardize the continued existence of such small corporations that have managed to keep men on the pay roll.

Fourth. Still another complaint which small corporations might make is that the tax can to some extent be avoided by larger corporations with greater ease and convenience by the payment of bonuses to officers, higher salaries, larger allocations for advertising and similar devices. Where avoidance is effected by such corporations through employee bonuses and higher wages it serves a most salutary purpose and does in fact achieve the objective of forcing earnings into the hands of those who will spend them and who may be taxed on such additional earnings. If small corporations undertake any of these methods, they may successfully avoid the tax but it still leaves them on thin ice so far as reserves and necessary capital are concerned.

Fifth. A general criticism of the whole theory of a surtax on undistributed profits as the law now stands is that it encourages debt, and the incurring of new debt, strangely enough, operates to set up new items of deductible expense. Where reserves are depleted and a corporation finds it necessary to borrow, it is obvious that new interest charges are incurred. Not only must such interest charges be met out of future earnings but such interest is a deductible expense for purposes of corporate income tax. Thus we see the tail catching up with the head.

In any discussion as to whether this surtax on undistributed profits should be repealed or revised it is extremely necessary to apply the rule of reason. All the logic and all the virtue are not on one side. From the Government side, it should be admitted that all corporations have not been adversely affected by this tax; that there have been abuses in impounding earnings to avoid taxes; that a tax of this nature does exercise a species of control over huge corporations; and that you cannot arbitrarily chuck such a tax into the wastebasket without substituting some other measure to provide an equal amount of revenue. It is a patent fact that until economies are effected there must be adequate revenues if the Budget is ever to be brought into balance. From the side of business, the rule of reason demands that we recognize that this tax is in addition to excess profits, capital stock, and corporate income taxes and not in lieu thereof, except insofar as a slight reduction has been made in the rates on the above taxes. Moreover, we cannot be insensible to the fact that business, like every other element, has come

through the depression in somewhat bent and crippled fashion and that it must again accumulate reserves to weather the next slump, if and when it comes.

With these considerations in mind, what reasonable recommendation can be made looking toward a revision of the surtax on undistributed profits as it now exists and in the whole field of taxation that will be salutary for business and fair to the Government and to the people? Without pretending to expert knowledge on the subject, may I respectfully submit the following recommendations:

First. If the present act is to be amended, that the provision relating to a specific credit be clarified and that a substantial specific credit stated in terms of percentage of adjusted net income be included. Nor should such a specific credit be limited to capital expansion. The earnings made available to a corporation by such a credit should be available for use in current production as well as capital expansion. Current production means jobs, and jobs are the great need at the moment.

Second. The specific credit should remain free from any tax and thereafter the rates and brackets might be revised. As it now stands, the rates are 7 percent on the first 10 percent of adjusted net income, 12 percent on the next 10 percent, 17 percent on the next 20 percent, 22 percent on the next 20 percent, and 27 percent on the last 40 percent. After allowance for a substantial specific credit, the rates and brackets might be adjusted to impose a tax of 7 percent on the first 25 percent of adjusted net income, 12 percent on the next 25 percent, and 17 percent on the remaining 50 percent. To account for the deficiency in revenue that would result from such changes, the rate of tax on corporate income could be revised upward from where it is at the present time.

Third. We should shun any suggestions of "new" taxes, and especially a glorified sales tax, which masquerades under the euphonious name of a manufacturer's excise tax. Such taxes are a sham and a subterfuge which make every hardware store, drug store, grocery store, filling station, and haberdashery a tax-collection agency for the Federal Government and lay a heavy hand upon a group of citizens who are least able to bear additional tax burdens.

Fourth. Some thought should be given to the idea of working out an employment credit against Federal taxes on industry. Unemployment causes people to go on relief. Relief requires expenditures out of the Federal Treasury, as the last years so eloquently witness. Expenditures mean more taxes. Higher taxes mean curtailment of business enterprises, and curtailment of such enterprises means freezing our present unemployment load. In his message the President said:

Obviously an immediate task is to try to increase the use of private capital to create employment. Private enterprise, with cooperation on the part of the Government, can advance to higher levels of industrial activity than those reached earlier this year.

In this plan of cooperation between Government and private enterprise, why not develop a formula under which a portion of the tax on business can be remitted or credited for each person who is added to the pay roll over and above a certain normal labor load? Industry and business must carry the load if there is to be a solution of the unemployment problem. And if industry shall and must carry the load, it should be given some incentive for assuming the load instead of being bashed over the head with punitive taxes. I do not presume to present such a formula, but inasmuch as the N. R. A. and the A. A. A. were reduced to formulas, it is not too much to expect that an employment-tax credit could be worked out without unusual difficulty, or administrative expense.

Fifth. Finally, the matter of tax-exempt securities should have immediate attention. Ever since my advent to Congress it has been discussed and debated, but no action has been taken. Congress has not acted on the matter, and the Treasury has made no specific recommendation thereon for immediate action. In the course of the hearings on the Revenue Act of 1936, a table was inserted—page 45—showing that as of June 30, 1935, there was outstanding \$31,285,000,000 in securities, the interest on which is wholly exempt

from normal income tax and surtax by the Federal Government. This total includes \$16,895,000,000 issued by States, counties, cities, and other political subdivisions—\$12,801,000,000 in United States Government securities, \$118,000,000 issued by Territorial and insular possessions, and \$1,471,000,000 issued by the Federal Farm Loan System. Here is a vast reservoir of tax revenue which, if tapped, would relieve the tax pressure on business and timid capital and bring about an equitable adjustment in our tax structure. I am not unmindful of the difficulties that stand in the way in bringing this about. There have been difficulties before, and it is not too much to expect that if the matter received sustained attention, a start could be made toward legislation that will ultimately make this vast source of income available for taxation purposes.

LEAVE TO ADDRESS THE HOUSE

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent that after the disposition of matters on the Speaker's desk tomorrow I be permitted to address the House for 10 minutes.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that tomorrow, after the disposition of matters on the Speaker's table and the legislative program, he be permitted to address the House for 10 minutes at the conclusion of the special orders heretofore made. Is there objection?

Mr. FISH. Mr. Speaker, reserving the right to object, on what subject?

Mr. ELLENBOGEN. On the subject of the Home Owners' Loan Corporation, for the purpose of urging the Members of Congress to sign discharge petition No. 26, which will make a special order of business of H. R. 6092, which reduces the rate of interest on mortgages to 3½ percent and extends the time of payment for 25 years.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. SNELL. Mr. Speaker, I reserve the right to object to ask the majority leader a question. I understand that this morning the President had all of the leaders down at the White House and that he probably disclosed to them what the program would be. Is there anything that the majority leader can tell the House at this time relative to the program this week?

Mr. RAYBURN. There was no program made at the White House this morning, I may say to the gentleman from New York.

Mr. SNELL. Of course, I did not expect a very definite program, but I did not know but that the gentleman could tell us what the orders were for this week. Of course, if the gentleman refuses to answer, well and good.

Mr. RAYBURN. We do not take orders and none was attempted to be given, of course.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

TRADE AGREEMENTS

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to proceed for 2 minutes. Is there objection?

There was no objection.

The SPEAKER. The Chair states that while he has no objection to the two special orders already made, he will not recognize gentlemen to make further remarks without the consent of the gentlemen who are to speak under special orders for today. The gentleman from Minnesota is recognized for 2 minutes.

Mr. KNUTSON. Mr. Speaker, the majority leader a few moments ago stated that the agricultural imports to which reference was made in the report by the Bureau of Agricultural Economics, were of a noncompetitive nature. I refer the gentleman from Texas to a portion of the report, which states that the imports exceeded exports of competitive products by 18 percent. What were those competitive products?—corn,

wheat, butter, eggs from China, ham, veal, beef, cattle on the hoof, sheep, mutton—everything that we produce here, and I say to the gentleman from Texas, the majority leader, that much of the unemployment in this country is due to these damnable trade agreements that have been negotiated, which are giving the great American market to foreigners and getting little in return.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. Yes; to my distinguished friend.

Mr. RAYBURN. I was assured that a small percentage of them were competitive. I said a majority were not competitive.

Mr. KNUTSON. If 18 percent is of no consequence the gentleman's point is well taken, but, nevertheless, it may make the difference between a buying market and a selling market for our producers. We are shipping in shoes from Czechoslovakia and textiles, toys, and matches from Japan in enormous quantities. We need not wonder that there are eight or nine million people out of employment and that daily we hear of from fifteen to twenty thousand people being laid off in the various industries of the country because of falling off in business.

The Department of Agriculture has just published the astounding information that for the first time in our history the imports of competitive agricultural products exceed our exports of agricultural products. Let Secretary Hull try to deny now that our farmers are being sold down the river under the trade-treaty program. He has been contending all along that most of the agricultural imports were of non-competitive items such as coffee, rubber, and so forth, but we have the official figures of Secretary Wallace's Department to disprove his efforts to bamboozle the farmer.

Just think of it: In the last fiscal year the imports of competitive farm products increased to \$1,538,000,000, which is 35 percent more than the year before, yet in the same period our agricultural exports declined 4 percent in value and 10 percent in quantity. What more proof do we need that the administration has sold the farmer down the river? We were told that the trade-treaty program was going to be of such great benefit to agriculture, but it must be that it was foreign agriculture that Secretary Hull had in mind.

Here are some figures on agricultural imports during the fiscal year ending last June 30:

428,000 head of cattle.
150,000,000 pounds of meats, which included 62,000,000 pounds of pork and 85,000,000 pounds of canned beef.
15,000,000 pounds of butter.
66,000,000 pounds of cheese.
10,500,000 pounds of egg products.
181,000,000 pounds of wool.
17,000,000 bushels of barley.
78,000,000 bushels of corn.
48,000,000 bushels of wheat.
434,000,000 pounds of barley malt.
319,000,000 pounds of coconut oil.
355,000,000 pounds of palm oil.

The following table shows in a very revealing manner just what has happened to agriculture under the present administration's tariff policy:

Foreign trade in agricultural products

Year ended June 30—	Exports	Competitive imports	Percent of imports to exports
1934.....	\$787,000,000	\$419,000,000	53
1935.....	669,000,000	498,000,000	74
1936.....	766,000,000	641,000,000	84
1937.....	733,000,000	868,000,000	118

From this table, it will be seen that the value of agricultural exports today is actually less than when the trade-treaty program went into effect in 1934, while the value of competitive farm imports is almost \$400,000,000 greater. On a quantity basis, the figures would show an even more adverse effect upon domestic agriculture. According to De-

LXXXII—16

partment of Commerce figures, the quantity index for exports of crude foodstuffs in the 9-month period ending September 30, 1937, stood at 30, compared with 97 in 1929. Imports of crude foodstuffs during 1937, however, stood at 107, compared with 128 in 1929. This means that while imports are coming in in almost the same volume as 1929, exports are only one-third the volume of that year. The same picture obtains with respect to manufactured foodstuffs. In fact it is more or less true of our whole foreign trade. Taking our foreign trade in its entirety, the Department of Commerce recently published figures showing that while on a quantity basis our exports were 76 percent of the 1929 level, our imports were 103 percent of the 1929 figure.

But of course I realize that all this is of little concern to the majority, else they would cancel these trade agreements that is injuring our farmers and causing so much unemployment in the industrial centers.

The SPEAKER. The time of the gentleman from Minnesota has expired.

EXTENSION OF REMARKS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made a few moments ago by inserting in the RECORD a statement issued by the Secretary of State on this very matter within the last 10 days.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a radio address made by myself.

The SPEAKER. Without objection it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FISH. Mr. Speaker, I ask unanimous consent that on tomorrow, following the remarks of the gentleman from Pennsylvania [Mr. ELLENBOGEN], I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. DINGELL. Reserving the right to object, Mr. Speaker, I would like to know what the gentleman is going to talk about?

Mr. FISH. On the same subject.

The SPEAKER. Is there objection?

There was no objection.

Mr. SABATH. Mr. Speaker, I ask unanimous consent that after the gentleman from New York [Mr. FISH] concludes his remarks on tomorrow, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes this afternoon, following the other special orders.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

EXTENSION OF REMARKS

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks by including a radio speech.

The SPEAKER. Is there objection?

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD with reference to the modification of the taxation laws.

The SPEAKER. Is there objection?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks with reference to reciprocal-trade agreements. America must choose whether she is going to protect her workers or go on with the reciprocal-trade agreements and lower the standards of living. Secretary Hull is a very fine and great man, thoroughly sincere in his belief in the reciprocal-trade agreements, but when our imports greatly exceed our exports, and a serious recession in business is at hand, the trade agreements do not seem to be working out as the administration expected. There is something radically wrong with economic conditions in our country today. It is undeniably true the workers of this country, with their high standards of living, cannot possibly compete with the labor in countries where conditions and standards are much lower. Following is a resolution which I am introducing today:

Whereas official announcement has been made by the Secretary of State that the Government of the United States contemplates the negotiation of a trade agreement with the United Kingdom of Great Britain, and the reopening of negotiations with the Dominion of Canada with a view to the enlargement of reciprocal-trade relations between the United States and Canada; and

Whereas the strong implication of the proposed trade agreement between the United States and the United Kingdom evidenced by London dispatches and by editorial comment in the United States is that incalculably more than trade balances are at stake, namely, the tightening of bonds of economic intercourse between the English-speaking peoples for the purpose of common defense of so-called democracies against alliances of Fascist states of Europe and the Orient in the present international situation; in other words, to employ negotiations for trade agreements as a subterfuge or Trojan horse with which to inveigle the Republic of the United States to become entangled in foreign diplomacy and foreign alliances contrary to its historic policy and traditions and in disregard of the wise admonitions of Washington, and Jefferson, and a long line of American statesmen; and

Whereas reciprocal-trade agreements already negotiated and in effect have resulted in their operation in great damage to and in some instances destruction of American industries and interrelated business, have reduced employment and wages in the United States, thereby curtailing the American market for the consumption of farm products, and at the same time opening the domestic markets to foreign agricultural products to serious and detrimental competition with the products of American farmers; and

Whereas negotiations are in progress to effect a reciprocal-trade agreement with Czechoslovakia which, if consummated, would still further depress, discourage, and destroy many lines of industry in the United States which could not successfully compete with foreign underpaid labor and lower living standards; and

Whereas for nearly 150 years during our existence as a constitutional Republic the protective-tariff policy which early statesmen called the American system was a bulwark to American industry, American farmers, and American wage earners against devastating foreign-made goods and agricultural products, conserved the American market, the greatest in the world, for American manufactures and American agriculture and American labor, under which system the Republic of the United States developed, progressed, and prospered, and established the highest rates of wages and the highest living standards of any nation on earth; and

Whereas the Reciprocal Trade Agreements Act is alleged to be, in effect, an instrument vastly increasing the powers of the Executive by transferring to him the power vested in the Congress by the Constitution to regulate foreign commerce; and

Whereas trade agreements negotiated and made effective under the authority of said act are alleged to be in effect, if not in name, none other than treaties with foreign countries and therefore in contravention of the Constitution of the United States in that they have not been submitted to nor ratified by the Senate of the United States as required in the case of treaties negotiated by the Executive: Therefore be it

Resolved, That a select committee of seven Members of the House of Representatives (which body is charged with the constitutional duty of originating revenue bills) to be appointed by the Speaker, whose duty it shall be—

First. To inquire into the operation of all trade agreements entered into by the United States and foreign governments to ascertain—

(a) Their effect upon the production of American manufactures and farm products.

(b) Their effect upon employment of labor in industry and agriculture.

(c) Their effect upon wage scales, wages in general, and the cost of living and standards of living.

Second. To inquire into all phases of the proposed reciprocal trade agreement between the United States and the United Kingdom of Great Britain—

(a) As to its probable effect upon imports and exports and specifically its effect upon articles of domestic manufacture, products of farmers, and upon wages of labor, skilled and unskilled.

(b) As to alleged implications that the underlying purpose of such trade agreement is for economic and political purposes as well

as for trade relations, to form a defensive alliance of so-called democracies against an alleged alliance between Fascist foreign governments.

Third. To inquire specifically as to the probable effect of the proposed trade agreement with Czechoslovakia upon American industries, American agriculture, and wages of American labor.

Fourth. To inquire into the alleged unconstitutionality of the Reciprocal Trade Agreements Act on the ground that agreements made thereunder are in fact treaties and should therefore be submitted to and be ratified by the United States Senate before becoming effective.

Said committee shall have power to send for persons, books, and papers, to subpoena witnesses, to administer oaths to witnesses, to meet at any time in the city of Washington or elsewhere, to employ clerical and expert and stenographic assistance, and to incur necessary traveling and incidental expenses, including printing and binding.

Said committee shall submit its findings and report to the House of Representatives at the earliest practicable date, together with such recommendations for legislation as it may deem necessary.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a radio address which I delivered on the subject of the Home Owners' Loan Corporation.

The SPEAKER. Is there objection?

There was no objection.

SESSIONS OF THE COMMITTEE ON RIVERS AND HARBORS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that the Committee on Rivers and Harbors may be permitted to sit during the sessions of the House for the balance of this week.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. RICH. Mr. Speaker, reserving the right to object, if we are going to get an agricultural bill here this week, should we not have the members of that committee here? There are some important members on that committee who should be in the House.

The SPEAKER. Is there objection?

There was no objection.

REFERENDUM ON PARTICIPATION IN FOREIGN WARS

The SPEAKER. Under the special order of the House the gentleman from Indiana [Mr. LUDLOW] is recognized for 30 minutes.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I find I shall not be able to conclude my address today in the time allotted. I, therefore, ask unanimous consent to proceed for 20 additional minutes.

The SPEAKER. The gentleman from Indiana asks unanimous consent that in addition to the time heretofore allotted to him he may be allowed 20 additional minutes in which to address the House. Is there objection to the request?

There was no objection.

The SPEAKER. The gentleman from Indiana [Mr. LUDLOW] is recognized for 50 minutes.

Mr. LUDLOW. Mr. Speaker and ladies and gentlemen, I have asked for time to address you today in order that in a very earnest and sincere way, born of an intense feeling I have on the subject, I may plead with you, my colleagues, to sign discharge petition No. 11, now at the Speaker's desk, and thus bring before the House for debate and action my resolution (H. J. Res. 199), which proposes to amend the Constitution so that the American people shall have a referendum vote on participation in foreign wars.

The purpose and essence of the proposal which I bring to your thoughtful attention is that the people of our country may have an opportunity to express themselves before our

boys are sent away into foreign lands to die like sheep in a shambles in the settlement of quarrels of alien origin. On account of my exacting duties as a member of the Appropriations Committee and the hurry and press of the public business I have come to you without a carefully prepared address and without any discourse very clearly delineated in my mind, but the subject upon which I shall speak is so intimately related with the highest and most sacred of all human values that I do not really believe I shall need any linguistic embellishments or dramatic arts to enable my mind to meet your minds and my heart to touch your hearts. I shall speak on a subject that is uppermost, I think, in all of our minds, and that is war and how to keep out of it.

I have been advocating a referendum on foreign wars so long and so insistently, and have made so many speeches on it, and have buttonholed so many Members in regard to it that sometimes I wonder whether I am beginning to wear out my welcome and trespass on your patience. I do not mean to do so. No one is prouder of his membership in this House of Representatives than I am. It is a high honor to be a Representative in the Congress of the United States, where I am now serving my fifth term through the partiality of the voters of a great district of this Union. I regard my five terms in this body as the capstone of my efforts to be of service to humanity. I respect the views of every Member, however divergent from my own those views may be. I have the most affectionate esteem for every Member of this body, and if in my activities in behalf of what I believe to be a great cause I have offended any colleague, I humbly beg his pardon here and now.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. FISH. Mr. Speaker, the gentleman from Indiana has rendered great service to the cause of peace in this country. He has led this fight almost single-handed—this fight to give the American people the right to determine whether they want to go to war or not. It is utterly a nonpartisan issue—a great American issue—and I hope that Members from both sides will sign this petition. The reason I rose today, however, is simply because the gentleman has done this work for these years; he has led this fight; and he deserves credit. But so the record may be made clear, a number of Senators, understanding the appeal and the popularity with which the gentleman from Indiana has surrounded this issue after his long fight, have now introduced similar resolutions. I want the credit to go where it belongs—to the gentleman from Indiana—for his gallant and heroic work. [Applause.]

Mr. LUDLOW. I thank the gentleman from New York from the bottom of my heart.

PIONEERING A LONG TIME

Sometimes I feel like an old pioneer in the enterprise of trying to secure for the common people of this country—the people who have to do the dying and suffering when war comes—the right to have something to say as to whether the United States shall enter foreign wars. As the distinguished gentleman from New York says, I have been working at it a long time. It will soon be 3 years since I introduced in this body my initial resolution on the subject. At first it was hard sledding. In a one-line editorial an eastern newspaper commented caustically:

Congressman Ludlow is waging a one-man fight on war.

And it did seem that way. Since then the sentiment for the proposal has grown by leaps and bounds, and lately it has found reflection in a striking way in another branch where, within 1 week, four distinguished Members have introduced substantially the same proposal that I have been advocating these 3 years, and two of them have done me the honor to adopt part of the language of my resolution. This singular manifestation in another branch shows what the country is thinking and how the volume of opinion is growing, and I am delighted by it. It is a barometer unmistakably registering progress for this popular movement.

I wish that every citizen of the United States might appropriate my proposal and adopt it as his own. It is gratifying to me to know that the cause is making such splendid headway. But let me submit to you, my colleagues of the House, this suggestion: This is a proposition in the interest of the masses of the people. The House of Representatives is the body which traditionally and historically stands closest to the people, the body that feels the heartthrobs of the Nation, the body that is inseparably intertwined with "government of the people, by the people, and for the people." In my opinion, it is becoming evident that if we do not soon adopt this resolution at this end of the Capitol the other branch will beat us to it, and it seems to me that it would be most appropriate and altogether to our credit if the first action toward sending this important constitutional amendment out to the States for ratification should be taken by the body of the people.

So I ask you if you will not support the pioneer in your own ranks by helping him to get this proposal up before the House for debate and a vote.

The American Institute of Public Opinion recently conducted a poll on my resolution and found 73 percent of the people as a whole and 79 percent of the women as a class to be in favor of it. Certainly this overwhelming sentiment should find a sympathetic awakening in Congress.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. KNUTSON. As the gentleman knows, I am very much interested in his resolution and have tried to cooperate with him to the best of my ability. Why should it not be possible to get this resolution reported out from the committee that has it in charge?

Mr. LUDLOW. I am afraid the gentleman will have to address his inquiry to the committee. I do not know.

Mr. KNUTSON. I consider this one of the most important pieces of legislation that has been introduced in this or in any preceding Congress in my time.

Mr. LUDLOW. I thank the gentleman. There is no better friend of the cause of peace in the United States than the gentleman from Minnesota.

I DO NOT STAND ALONE

When I stand here today presenting this plea to you I do not stand alone. Oh, no. I stand at the head of a vast invisible army whose hosts are as far-reaching as the continent itself. I present the plea of innumerable legions who cannot be here in person. I present the plea of millions of the fathers, the mothers, the wives, and the sweethearts in the teeming cities and away back in the remotest settlements. I bring to you the plea of the American War Mothers, whose sons sleep in France, whose memorial I hold in my hand. They ask you to pass this resolution so that—and I quote their language—

The women of the future may never know the anguish that has been theirs.

I present to you the plea of a million members of organized labor, the 21 railroad brotherhoods, who say in their memorial—and I quote their language:

This legislation is racing against the danger of war and there is no time to spare.

I present to you the plea of the Woman's Christian Temperance Union in its national organization and in all of its branches in all of the 48 States.

I present to you the plea of the Church of the Disciples of Christ in America, with its thousands of churches and its millions of communicants, thrice reiterated in as many successive years in national convention assembled. I present the endorsement of Archbishops Curley, Droessarts, and McNicholas and many bishops of the Catholic Church; of great synods of the Lutheran Church; of a vast number of leaders and organizations of the Jewish people. I present the endorsement of Frank B. Kellogg, coauthor of the Pact of Paris, and the following eminent persons, who not only are heart and soul for my resolution but who have accepted

service as directors of the Committee on the War Referendum, an organization that has been created to promote it:

COMMITTEE FOR THE WAR REFERENDUM

Alanson B. Houghton, former Ambassador to Germany and England; Mrs. Howard C. Boone, president of American War Mothers; Maj. Gen. William C. Rivers; Edward Keating, editor of Labor; William Allen White, editor and publisher; A. F. Whitney, president of the Brotherhood of Railroad Trainmen; Dr. John A. Ryan, National Catholic Welfare Council; Gen. James E. Van Zandt, past national commander of the Veterans of Foreign Wars; Gen. Smedley Butler, former Commandant of the Marine Corps; William F. Bigelow, editor of Good Housekeeping Magazine; William Lowe Bryan, former president of Indiana University; Frank Graham, president of North Carolina University; Ole Hanson, manager of the Co-Operative Creamery Association; Frank E. Hering, editor of the Eagle Magazine and past grand worthy president of the Fraternal Order of Eagles; Charles P. Howard, president of the International Typographical Union; Rabbi Edward L. Israel, of Baltimore; Edgar Dewitt Jones, president of the Federal Council of Churches; Roy McKaig, legislative representative of Idaho State Grange; Joy Elmer Morgan, National Educational Association; Paul B. Kern, Methodist Episcopal bishop of North Carolina; Homer P. Rainey, director of the American Youth Commission; Mrs. Elizabeth Stanley, past national president of the Woman's Christian Temperance Union; John Steves, president of Steves Sash & Door Co., Texas; Mrs. Harvey W. Wiley, Washington Federation of Women's Clubs; O. O. Wolf, president of the Kansas Farm Bureau; and William A. Julian, Treasurer of the United States.

I present also the plea of 75 presidents of universities and colleges, who speak impressively for the higher thought and for the youth of the Nation, and in contrast thereto I present the pleas of thousands of uneducated but worthy people, who confess in their letters to me that they have never before addressed a Member of Congress; who write falteringly, punctuate badly, and spell lamely, but who manage to make themselves articulate in the great yearning that fills their hearts that our American boys shall never again be plunged into the hell of a foreign conflict.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. LUDLOW. Gladly.

Mr. ASHBROOK. May I not ask my good friend, who is one of the pioneer sponsors of this peace movement, whether or not he has received protests against this peace resolution; and if so, upon what grounds?

Mr. LUDLOW. I may say to the gentleman from Ohio that I have never in my life received what I would call a protest. I have received a very few letters occasionally objecting to certain features of my proposal, but such letters would not run over one letter in a hundred, and then it is generally from someone who raises some hypothetical question on some point in regard to its application. I believe sincerely, however, that this resolution reflects almost the unanimous sentiment of the people of this country.

Mr. ASHBROOK. So far as I know, the people whom I have contacted in my district are 100 percent in favor of this resolution. I assure the gentleman, as he well knows, that I am heartily in favor of it and will gladly continue to cooperate with him.

Mr. LUDLOW. I thank the gentleman from Ohio. He has been one of the most valuable supporters of this proposition from the very beginning.

Mr. BIGELOW. Mr. Speaker, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. BIGELOW. How many signatures to this petition does the gentleman lack to discharge the committee from further consideration?

Mr. LUDLOW. At this moment there are 189 signatures on the petition.

Mr. BIGELOW. Within about 3 minutes' time two Members of this House, young, vigorous, progressive Democrats, sat down beside me, and each of them said that they had not

signed the petition. I am convinced from this that there must be a great many people who still have not had their attention called to it and who would sign the petition.

Mr. LUDLOW. I thank the gentleman for his encouragement.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield for a brief observation?

Mr. LUDLOW. I yield.

Mr. ROBSION of Kentucky. I have signed the gentleman's petition, and I have been in full accord with the principles set forth in the gentleman's resolution. I am not a pacifist, and history from 1775 to the present time shows that I do not represent a district of pacifists. The people of my district have taken a definite part in all the wars of this country; but during the adjournment of Congress I brought this to the attention of a great many groups in my congressional district, and I say, as did the gentleman from Ohio [Mr. ASHBROOK], that practically 100 percent of the people in my congressional district are in favor of this resolution. As has been so well said, the people, the mothers and fathers, furnish the boys and girls to fight the wars, as well as the money.

The biggest issue that can come before our country at this time is the question of a foreign war. If we are to have a referendum on anything it seems to me this is the most important issue. I am heartily in favor of the gentleman's resolution.

Mr. LUDLOW. I thank the gentleman from Kentucky, and appreciate very much his very valuable cooperation.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. KVALE. In conjunction with the question raised by the gentleman from Ohio as to whether there was any opposition to this resolution, I merely wanted to ask the speaker, my good friend from Indiana, whether or not the opposition comes largely from the vested interests who control the munitions of war and the raw materials that enter into the manufacture of munitions?

Mr. LUDLOW. I cannot answer directly. The fact is I have heard of almost no opposition coming from any quarter. I have been agreeably surprised by the apparent unanimity of sentiment with which the proposal is being received.

The plea I am making is one of the best-documented pleas ever presented to this or any other parliamentary body. It is documented by innumerable letters and telegrams that have been written, and resolutions that have been adopted by individuals and groups, that fill to bursting the file cases in my office. It is documented by letters written on the fancy and scented stationery of intellectuals who are genuinely alarmed by the war menace that hangs like a pall over the Nation, and it is documented by other letters that are fingerprinted by the worn and calloused hands of working men and women.

DEMAND IS RINGING THROUGH NORTH AMERICA

A demand for the right to vote on sending our boys into foreign slaughter pens is ringing through every State in North America, and it has reached the throne of power in Washington, and we who sit on the throne of power are asked in the name of humanity to amend the Constitution so that those who have to do the dying and the suffering and to bear the unspeakable burdens and griefs of war shall have something to say about entering foreign wars. The people have lost confidence in the ability of diplomats to keep us out of foreign wars. What little confidence they had left disappeared the other day when they read how the United States was beguiled by European intrigues during the World War and how the World War allies were secretly pledged in advance to a division of territorial spoils—a pledge that has been kept in the dark for 20 years, with good old honest Uncle Sam not having the least suspicion of it. The people are saying today:

Every time a Government official issues a statement on international relations and every time a diplomat makes a false move the cold chills chase up and down our spines, for we do not know how soon the time may unhappily come when America will be

plunged into another horrible war. Give us the power to vote on war and we will take care of this question of war, and we will take care of it right by staying out of foreign wars. We are tired of a system whereby this most vital of all questions is determined by somebody away up in the stratosphere. We want to determine it ourselves. Anyway, we are the ones who have to do the dying and the suffering. Why shouldn't we have something to say about it? We will defend our country from attack or invasion with the last drop of our blood, but when it comes to entering a foreign war we demand a voice and a vote.

Mr. KELLER. If the gentleman from Indiana will be so kind, will he not read that last sentence again?

Mr. LUDLOW. I am quoting what I interpret the popular thought to be.

Mr. KELLER. I understand, but it is so well put I would like to hear it again.

Mr. LUDLOW. The last sentence was an allegorical interpretation of what I believe to be the people's thoughts:

We will defend our country from attack or invasion with the last drop of our blood, but when it comes to entering a foreign war we demand a voice and a vote.

What are we going to say to those who plead for a vote on participation in foreign wars? Are we going to say, "It is none of your business"?

Are we going to say to the anxious fathers and mothers, "The blood of your son is needed to redden the soil of Spain or China or Japan"?

Are we going to say to the fine young man who is the potential cannon fodder, "It is none of your affair whether you are to be sent abroad to be blown to bits by bombs rained from the air; to be strangled by lethal gases, or to die in spasms from disease germs hellishly spawned in foreign laboratories"?

During the last month I have visited a number of universities in Ohio and Indiana and have seen many fine young men whose faces bear the imprint of character and high resolve, who desire under all circumstances to do their duty as God gives them light to see their duty, and I think I know what they are thinking. I think they are thinking that they love their country and that they would willingly give up their lives, if necessary, to defend it from attack or invasion by a foreign foe, but they are resenting, just as I resent, the idea that if a world war comes they will be conscripted and sent away to die in foreign slaughter pens.

I insist that it is the business of our fathers and mothers and our young men whether the flower of our manhood is to be sent into foreign countries to be maimed and slaughtered, and I contend that that question, whenever it arises, should be submitted to a vote of all of the citizens, the vote of every citizen having equal weight with the vote of every other citizen. The demand for a vote on foreign war will not be satisfied without action. If we disregard it now, that will not stop it. It will ring in our ears more and more, and it will be heard in the next congressional elections, and it will keep on being heard, because it is the voice of humanity crying in the wilderness.

HOW CAN THOSE WHO SPEAK THE COMMON TONGUE OPPOSE A REFERENDUM?

In this country are many persons, perhaps a vast majority, including Members of this House, who sprang, as I sprang, from the common people; who have known, as I have known, the poverty and distress of a lowly lot. I cannot honestly see how any of those whose origin gives them the right and license to speak for the masses of the people can persuade themselves that those who have to do the dying and the suffering should have nothing to say about plunging this country into foreign wars. May angels and ministers of grace defend them as they sound the depths of technicalities and search the byways of legalistic sophistry to try to prove that the common people should not exercise a right which there is every reason to believe God intended they should have and exercise. I thank God I was born a commoner, and I pledge myself to remain true to the common people and to do all I can with my very limited capacity and imperfect vision to keep them out of foreign entanglements.

WHAT IS UNSOUND ABOUT IT?

What is there that is unsound about this proposal that the people shall have a right to vote on declarations of war, except in the case of attack and invasion?

How can anyone who is steeped in the genius and spirit of our free American institutions say that it is unsound? It is as sound as Magna Carta is sound. It is as sound as the Bill of Rights is sound. It is as sound as "government of the people, by the people, and for the people" is sound. It is in entire harmony with the philosophy of the Bill of Rights, and if adopted it would round out and complete that immortal chart of freedom.

In America today we have a dual autocratic and popular control, where popular sovereignty stops at the water's edge. Our citizens can elect their constables and their dog catchers; they can express themselves by referendum on the location of a pesthouse or a waterworks, but they do not have one word to say on the greatest of all questions—a declaration of war, that involves the happiness of their homes and the life or death of their children, husbands, and sweethearts. In its foreign relations our Government is a pure autocracy. This situation harkens back to the Dark Ages, the ages of tyranny and oppression. It recalls the black, heart-breaking centuries when men, with unspeakable suffering, yearned for but never reached the goal of liberty, and now the advancement in the means of communication has made it possible in this twentieth century for us to complete the free processes of government, so nobly begun in the Bill of Rights, by giving to all of our people an equal right to vote on declarations of war, the vote of every citizen to have equal weight with the vote of every other citizen.

TIME TO COMPLETE THE BILL OF RIGHTS

When we think of the Bill of Rights we think of the long centuries of human travail when men toiled slowly and painfully upward toward the light of freedom. We think of Runnymede and the great charter wrested by the barons from King John which paved the way for our Bill of Rights, and which has been described as the finest fruit of 60 centuries of human struggle and evolution, and we see in our own great charter, the American Bill of Rights, a code of liberty which underlies in its principles and its exemplary influence all that is most successful in the enfranchisement of peoples. Let us review some of its guaranties:

First. Freedom of religious worship.

Second. Freedom of speech.

Third. Freedom of the press.

Fourth. Freedom to peaceably assemble and petition the Government for redress of grievances.

Fifth. Freedom from unreasonable searches and seizures.

Sixth. Freedom from cruel and unusual punishments.

Seventh. Trial by jury.

It is now proposed by my resolution to add one more guaranty, as follows:

No participation in foreign wars except with the consent of the people.

What could be more in harmony with the spirit and the purpose of the Bill of Rights than that the people should have a right to say whether they shall sacrifice their sons and pour out their treasure in foreign wars? It is now time to complete the Bill of Rights by adding this new amendment to the Constitution.

ONCE TENABLE ARGUMENT NOW NULL AND VOID

The only tenable argument ever made against the plan for a referendum on foreign war is the time required to take a referendum which it is claimed might give an enemy nation the advantage.

That was a valid argument in 1837 but not in 1937.

In the early days of the Republic the time objection was, indeed, an insuperable obstacle. Had it not been for imperfection in the means of communication at that early time I believe that Jefferson and his compatriots would have included a provision for a referendum on war in their cherished Bill of Rights. The railroad, the telegraph, the telephone, the radio, the airplane were then in the bosom of the

unknown future. Even the pony express was as yet undreamed of. Letters mailed on the eastern seaboard were 6 months arriving at the uttermost frontiers, if, indeed, they ever reached there at all. Now it is all different. The fast train roars its way across the continent in 100 hours, the airplane in 24. The President, sitting before the microphone in Washington, talks to the entire Nation.

Thus the only real objection ever made against a war referendum, namely, that it would consume too much time, has been completely nullified by modern perfection in the means of communication. On this subject Admiral McGowan, of South Carolina, a great officer of the World War, gave expert testimony.

There seems—

He said—

to be a very general misapprehension as to the time required to hold a referendum. The United States has long since graduated out of the stage-coach and pony-express class, and there is no reason whatever why in this day of railroads and airplanes and telegraph and telephone and radio we could not refer the question of war or peace to the people of the country and have their answer back within a week—indeed, within 48 hours, if absolutely necessary.

This is the testimony of a great officer who was Paymaster General of the United States Navy and head of the Bureau of Supplies in the world's greatest war, and who had a very practical vision of war problems. Since he testified all of the agencies of transmitting the written and spoken word have been further developed so as to quicken communication, and, in my opinion, there is no longer the slightest reason to raise the time factor as an objection to a war referendum.

And on this point I desire to call another expert witness—Maj. Gen. William C. Rivers, a great Army officer, who had the unusual fortune to win the coveted star of a general three times, on whom France awarded the Croix de Guerre and our Government the Distinguished Service Medal for stemming the tide of the enemy's advance during the second Battle of the Marne. Writing to me a few days ago, he says:

First, let me say that I feel strongly that we must adopt and try out some new plan; that we must not adhere to our old plan of drifting into a war. The main objections to the Ludlow plan refer to fears that while we delay to vote a foreign power could attack us. Nothing is perfect; but I see no merit in this contention. The two oceans and the absence of powerful and aggressive neighbors give us ample protection against sudden attack. Again, we are told by some that it is unwise to place experimental proposals into our Constitution. No more vital feature than the Ludlow amendment could be added to the Constitution, where it could not be repealed by the Congress in a moment of emotional stress.

And he adds:

The voters as a whole can never be subjected to such concentrated propaganda as may fall on the fewer than 500 men in Congress.

It seems to me that the testimony of these military experts disposes of the argument that there would not be time to take a referendum on a proposal to enter a foreign war. Ordinarily there would be time for many referendums. It is assumed that if the amendment which I propose to give the people a right to vote on declarations of war is written into the Constitution the General Staff and the War College will set up machinery whereby such referendums may be taken expeditiously and on the shortest notice when ordered.

DANGER OF A DICTATORSHIP

There are those in this country, perhaps in this Congress, who believe that the power of the President should not be governed by the Constitution of the United States. They believe that it should be governed by the constitutions of other nations. If Germany gives Hitler the power to plunge that nation into war overnight, and Italy gives Mussolini that power, it follows, they claim, that our President should have similar powers. With this doctrine of dictatorship resulting from foreign precedent I want to have nothing to do.

I do not agree that because other countries have dictators who can make war easily and expeditiously, America should

also have a dictator. America is not Germany and it is not Italy; it is not Spain and it is not Russia or Japan.

America is the greatest free country in the world, and let us fervently hope that it will remain forever free. And right here I would like to point out the real danger that unless we decentralize the war power and give it to the people, a tyrant may some time appear in the White House and grab that power. We cannot overlook the fact that governments all around the world have been going centripetal at an amazing rate.

Since the World War—the war which we hoped was to save democracy—19 democracies have died and the hopes of the people have died with them. Our own country has not escaped the centripetal trend.

By actual count at the last session of Congress 270 bills, prepared and predigested in the executive departments, were sent to Congress by heads of bureaus and other executive agencies, and most of these bills were passed and became laws.

In the Seventy-third and Seventy-fourth Congresses 77 major laws were enacted. Of these, 18 originated in Congress and 59 originated in the executive departments. I mention this trend of executive influence over Congress not in criticism, because executive leadership was necessary to bring our country out of the darkest night of economic distress and despair it ever has known, but if the man who happens at any given time to be President has so much influence over Congress in an economic emergency, less serious than war, to what length might not a tyrannical President go in usurping the war power and plunging America into war to satisfy his own whims? If we are to stabilize peace in America and do our part toward stabilizing the peace of the world we should decentralize the war power and vest it with the people themselves. That is where it ought to be. That is where sovereignty abides, and we should do this before it is everlastingly too late, before some tyrant makes his appearance in the White House. No stancher friend of peace ever occupied the Executive Office than President Roosevelt, but, after all, the period of one President's service is but a second in the life of a nation, and I shudder to think what might happen to our beloved country some time in the future if a tyrant should appear in the White House, grab the war power, and run amuck.

AT THE TOMB OF NAPOLEON

In the solemn history of the world we look at two colossal figures who typify the two extremes—Napoleon the tyrant and Jefferson the humanitarian. God save America from another Napoleon!

A few years ago I stood at the palatial tomb of Napoleon, on the banks of the Seine he said he loved so well, and looked over the balustrade at the sarcophagus where rest the remains of that incarnation of blood and murder, surrounded in magnificent panoply by the battle flags he had captured in his amazing career of conquest and of violence. I could not become enthused, even amid these surroundings of imperial majesty, because I had a sickening sense of the widows and orphans he had made and how he had brought sorrow and grief and desolation into nearly every household in Europe.

As I paused there, surrounded by vivid reminders of the bloody Napoleonic campaigns, I resolved that when I returned to America I would visit another shrine where I knew my emotions would be different. I would visit the tomb of Thomas Jefferson, who wrote into the great Declaration the precious doctrine that "all men are created equal."

And later, when I stood on that Virginia mountainside, while the rays of early morning gilded the shaft where rest the remains of the greatest humanitarian since Jesus of Nazareth, I was impressed as I never had been before.

"Here," I thought, "lies a man whose passion it was to save and to serve, and not, like Napoleon's, to destroy humanity. Here lies the great champion and defender of human rights."

And I was thrilled beyond my feeble powers of language to describe by the inscription on his tombstone which he himself wrote and commanded to be placed there.

Here—

It reads—

was buried Thomas Jefferson, the author of the Declaration of American Independence, of the statute of Virginia for religious freedom, and father of the University of Virginia.

That inscription, it seemed to me, is more significant for what it does not say than for what it says.

There is not one word in it to indicate that he had been a Member of the Congress of the United States, Minister to France, Secretary of State of the United States, and that he had held the highest office in the gift of his countrymen—the Presidency of the United States. He wanted to be remembered not for the positions of distinction he had held but for the service he had rendered to humanity. That was Thomas Jefferson, one of the most incomparably grand figures in the world's history, and I believe that if the man who hurled into the teeth of tyrants the defiant doctrine that all men are created equal and that other man of colossal height who said that God must love the common people because He made so many of them—Jefferson and Lincoln—were living today, they would be supporters of my proposed constitutional peace amendment which makes all citizens equal in the greatest and most tragic of all decisions—the decision that registers a nation's verdict for war or for peace. [Applause.]

Mr. KELLER. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Illinois.

Mr. KELLER. I would like to know what position Jefferson took in relation to the Revolutionary War.

Mr. LUDLOW. I do not know just what the gentleman means.

Mr. KELLER. Was he for it or against it?

Mr. LUDLOW. Suppose the gentleman tells us himself. He is a better scholar than I am.

Mr. KELLER. The gentleman knows. I would also like to ask what position Jefferson took in the War of 1812. The gentleman cited him as a prince of peace. Of course, I have signed the gentleman's petition, because I would like to hear an honest discussion of the matter, but I am not getting it now.

Mr. LUDLOW. My time is expiring and I suggest the gentleman discuss that question in his own time. It would lead me farther afield than I care to go now.

Mr. KELLER. Oh, no; not in my own time. I am not proposing the proposition. The gentleman ought to defend it.

Mr. LUDLOW. Something was said a while ago about this not being a pacifist proposition. The gentleman who made that statement was correct.

NOT A PACIFIST PROPOSITION

If anyone has jumped to the conclusion that the constitutional amendment I am advocating is a pacifist proposition, as the word "pacifist" is generally understood, I want to correct that impression. This proposition has nothing whatever to do with the size of our national defense. It in no way, sense, or degree impairs our national defense, since under the very terms of the resolution there would be no referendum in the case of attack or invasion.

A declaration of war is no idle and inconsequential thing. It signs the death warrant of our fine young manhood. Surely it is a matter of sufficient importance to entrust to the decision of all of our people, with women having equal voting rights with men, as is proposed in my resolution.

WOMEN NOW HAVE NO RIGHTS ON DECLARATION OF WAR

And why should not women have the right to vote on a declaration of war? War is the supreme calamity affecting family ties. It breaks up happy homes and tears heart-strings asunder. Women go down into the valley of the shadow of death to bring our boys into the world. Why should not they have something to say as to whether their own flesh and blood shall be hurled into the hell of a foreign conflict?

Mr. KITCHENS. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Arkansas.

Mr. KITCHENS. The question to be voted on under this resolution would be, Shall the United States declare war on a foreign country? Is it not a fact that the United States has never declared war on any country, there just simply being a state of war existing?

Mr. LUDLOW. I think that is a legalistic technicality there that is really not important. The declaration that a state of war exists is tantamount to a declaration of war.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman raises the question as to whether or not women should be entitled to vote. Would he not also be willing to extend that further and include citizens over the age of 18? Boys over 18 would be drafted.

Mr. LUDLOW. I think it should rightly be so extended. I would favor the gentleman's suggestion. Certainly anyone who is eligible for draft, or in the draft ages, should have a right to vote on the question of war. That is simple justice. But this resolution, if it is brought before the House, will be wide open for amendment in the Committee of the Whole, and the suggestion that my friend makes can be offered in the form of an amendment.

In every war, terrible as is the fate that awaits many men, the women are the worst sufferers. Of the 531 Members of Congress, only 7 at this time are women, so you can see how pathetically negligible and impotent is the opportunity afforded to give expression to whatever may be women's viewpoint on any particular war proposal.

It would have to be a mighty good cause that would drag America into war under this constitutional provision. I sincerely believe that it would keep America out of all foreign wars, and, indeed out of all wars, unless the occasion should arise for a righteous war of defense, which is very improbable.

We are not a nation of aggressors, and the chances that some foreign power will come to our shores to attack us are about as remote as the probability that the moon will suddenly jump from its orbit and land on top of us.

THE HORRIFYING WORLD PICTURE

If we take a look at the horrifying world picture, I am sure we will all be impressed with the necessity of doing something to keep America out of foreign entanglements. Both the Occident and the Orient are aflame with war, and there is danger that we may be dragged in at any time. And if another world war comes, what a war it will be! It will not be like any other war that has ever gone before. It will not be a contest between visible armies made memorable by the conduct of brave and heroic men on the battle lines but it will be a scientific slaughter-fest. Science will step in and direct the implements of destruction for a reign of carnage and a harvest of death that will make all previous wars pale into insignificance. Whatever that something is that must be done to keep us out must be done now, when we are at peace and before the war spirit is aroused. Whatever that something is that must be done to keep us out of war it must be in the form of a constitutional amendment. A mere statute will never suffice, because the forces that would sweep the Nation into war could and would repeal in a jiffy any statute that conflicts with their purpose. Only a constitutional amendment has the permanency and stability to keep us free from the foreign entanglements that are threatening to be woven all around us.

Three times since I first introduced my proposal for a referendum on war the American Institute of Public Opinion has conducted polls on it and has always found the people to be overwhelmingly for it. Summarizing its findings, the Institute announced on October 10:

On many public questions Institute polls show sharp trends of opinion. But public opinion on the war referendum idea remains unusually constant. When the Institute asked voters the identical

referendum question in November 1935—that was 10 months after I first introduced my resolution—75 percent of the voters reached favored it. In September 1936, sentiment in the poll was 71 percent in favor. Today's vote showed 73 percent in favor. In today's poll, women voters are more sharply in favor of the war referendum than men. A breakdown of the vote by sexes shows that while men favor the proposal by a vote of 69 to 31 women favor it by 79 to 21.

In Congress, however, the Institute continues, this new and unorthodox idea has shown increasing signs of strength over the same period. In the Seventy-fourth Congress, which sat in 1935 and 1936, a referendum amendment by Representative LUDLOW obtained just 72 signatures from Members of the House. To bring a bill before the House for action 218 signatures are required, and the Ludlow measure fell far short of the required number. In the last session of Congress, however, 185 signatures were obtained and sponsors are optimistic of finding 33 more names in the coming session.

President Woodrow Wilson well said that he had heard of "governments making war on governments" but that in all of the range of his observation he never knew of "peoples making war on peoples", and our present Chief Executive, Franklin D. Roosevelt, uttered a sentiment of cheer and inspiration to the human race all around the world when he said that "war by governments must give way to peace by peoples." If in every country on the globe the war power could be democratized and vested with the people, war probably would almost vanish from the earth, for the people—and by that I mean the people of every land—do not want war. They are sick of its heartaches, of its grief and suffering; of the pain it puts in the hearts of mothers. America, our great, beloved country, has always been noted for its primacy as an exponent of righteousness and high ideals, and I ask to what greater cause could we dedicate ourselves than to assume the leadership in trying by precept and example to emancipate the human race from the curse of war.

While no one realizes more keenly than I do the danger of our involvement in foreign war, I do not subscribe for 1 minute to the defeatist theory that if another world war breaks out America cannot escape it. I believe that is a wholly erroneous theory. America will not enter a foreign war if the people have a chance to vote on the proposition. If the counsel of calmness and reason prevails and the people are allowed to settle the question in the privacy of the ballot booths we will keep out of war. I think I know something about American sentiment on war as a result of my years of hard struggle to promote my war referendum amendment. I say that as a nation we do not want to enter foreign wars and we will not do so if the people have a chance to decide the question.

I have presented to you the broad outlines of my peace proposal and what it is hoped to accomplish by it. I believe it would banish from the minds of our people most of the fears of involvement in foreign wars and that it would go very far toward stabilizing the peace and security of America; and, furthermore, I believe that it is fundamentally right.

Mr. Speaker, how much time have I remaining?

The SPEAKER pro tempore. The gentleman has 1 minute remaining.

Mr. KELLER. Mr. Speaker, I ask unanimous consent that the gentleman may have 10 additional minutes. I would like to ask him a question.

Mr. LUDLOW. I thank my friend for his courtesy, but I do not care for 10 additional minutes. I have had my say and there are other gentlemen waiting here. It would not be fair to them.

Mr. KELLER. They will be glad to wait, I know.

Mr. LUDLOW. I have said practically all I care to say now and it would not be fair to a number of other speakers who are to come after me for me to consume more time.

Mr. KELLER. Why not answer questions?

I THROW THE TORCH TO YOU

Mr. LUDLOW. I believe that the real question here is whether we Members of Congress are willing to shut the people out from that one great awful decision which, once made,

cancels the power of Congress and of the people for years to come. Once the decision to declare war has been made by Congress, it follows that civil liberties are suspended, the press can be controlled, men can be sent to danger and death, billions must be spent, billions must be loaned to foreign nations, foreign exchange must be supported with American money. After that one great decision Congress becomes by it a rubber stamp. The Nation becomes an armed camp. It seems to me, my colleagues, that we should be willing to allow our constituents to participate in this major decision.

Speaking for myself, I am not going to say that my constituents are not intelligent and well-informed enough to vote on a question of sending our boys away to be killed in foreign wars. I know that they are and I believe that the American concept of free government will remain imperfect and incomplete until the people are given a right to vote on a question that affects so intimately their homes, their families, and their well-being.

I have had my say, and I throw the torch to you. Let us sign discharge petition No. 11 up to the requisite number of 218, which will bring it before the House as a basis for what will undoubtedly be one of the most notable peace discussions of modern times, with wide latitude of debate and unlimited privilege of offering amendments. Then let us pass the resolution in its perfected form and trust that it will be ratified by the States, so that there may be added another pillar to the great temple of liberty. [Applause.]

Mr. KELLER. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mr. SHANLEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 5]

Aleshire	Disney	Hill, Ala.	Phillips
Allen, Del.	Douglas	Holmes	Ramspeck
Barden	Drewry, Va.	Jarrett	Randolph
Barton	Driver	Johnson, Minn.	Reed, Ill.
Beam	Edmiston	Kennedy, Md.	Robertson
Beiter	Elcher	Keogh	Robinson, Utah
Bland	Evans	Lamneck	Rogers, Okla.
Bloom	Farley	Lea	Ryan
Boylan, N. Y.	Fitzpatrick	Lesinski	Sirovich
Buckley, N. Y.	Flannagan	McGroarty	Smith, Maine
Burch	Ford, Calif.	McLean	Somers, N. Y.
Byrne	Fulmer	Mahon, S. C.	Spence
Cannon, Wis.	Gavagan	Meeks	Sullivan
Cartwright	Gifford	Mills	Summers, Tex.
Celler	Goldsborough	Murdock, Ariz.	Treadway
Chandler	Greenwood	Norton	Wallgren
Citron	Greever	O'Connell, R. I.	Wene
Clark, N. C.	Gregory	O'Connor, Mont.	Whelchel
Cole, Md.	Haines	O'Connor, N. Y.	White, Idaho
Costello	Hamilton	O'Leary	Whittington
Crosser	Hancock, N. C.	O'Neal, Ky.	Wood
Cullen	Harlan	Owen	Woodrum
Cummings	Harrington	Parsons	Zimmerman
DeRouen	Healey	Pettengill	
Dickstein	Hildebrandt	Pfeifer	

The SPEAKER. Three hundred and thirty-two Members have answered to their names, a quorum.

On motion of Mr. RAYBURN, further proceedings under the call were dispensed with.

COMMITTEE ON AGRICULTURE

Mr. JONES. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may be permitted to sit during the sessions of the House during the remainder of the week.

Mr. GILCHRIST. Reserving the right to object, Mr. Speaker, does this request include the subcommittees?

Mr. JONES. I will include the subcommittees in my request, Mr. Speaker.

The SPEAKER. The gentleman from Texas modifies his request to include subcommittees, which the Chair thinks would be included in the original request.

Mr. JONES. I should think so.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. SNELL. Mr. Speaker, I ask unanimous consent to revise and extend in the RECORD the remarks I made today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a radio address delivered by me.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER. Under the special order of the House, the gentleman from Maryland [Mr. LEWIS] is recognized for 45 minutes.

PACIFIST OR MILITARIST

Mr. LEWIS of Maryland. Mr. Speaker, in discussing this afternoon the great subject of peace and order in the world just presented so ably in one of its phases by the gentleman from Indiana [Mr. LUDLOW], I believe I cannot do better in the interest of clarity than to relate to the House my own mental experience with this subject.

In my boyhood in the mines of Pennsylvania I came under the influence of a very remarkable man, a Welsh coal miner, a Quaker. I shall name him, for his name is worthy of public documentation here or at any time—Joseph Harrison, long gone to his rest. He was a man of phenomenal address, his personality plainly ennobled by his religious convictions, and soon impressed me with his opinions on the subject of peace and war. He made it seem strange to me that governments, organized for the great purpose of suppressing violence and bloodshed as between their subjects or citizens, should themselves claim the privilege of adjusting their controversies by the method of the sword. In short, he made me a pacifist. During the rest of my life I took pains to proclaim his great principles. I was a pacifist in my every thought until that tragic day, the 7th of May 1915, when the *Lusitania* was sunk, assassinated from beneath the sea, in violation of the long-honored laws of peace and war. The shock made me a militarist and I could think only of punishing the foul transgressor. What did this mean? Here I was a pacifist and a militarist, both at the same time. This conflict of ideas challenged me.

PEACE AND ORDER INSTITUTIONAL PRODUCTS

Which was right? Was either right, this pacifist or militarist within me? We had recess of Congress at the time, and I took the problem home to think it out. In a couple of weeks the matter cleared up. Joseph Harrison, the Quaker, was right in principle, but his principle implied a certain kind of institution, namely, government, with its rules of conduct prescribing the rights and duties of the countries involved, and courts to decide controversies as to facts or meaning of the law as they arose between nations. In short, it became clear—and this is fundamental to any discussion of our subject—that peace and order in this world are institutional products. You have them in the domestic community generally, because you have those institutions, lawmakers to make the rules of conduct, courts to decide disputes, and sheriffs to look after unyielding recalcitrants.

I found, to be concrete, that I could be a pacifist in my own community of Cumberland. There were laws defining my rights and my neighbors' duties, and if we had a dispute no fight psychology arose; we thought of the law and justice of the peace. If his decisions were unsatisfactory, then a higher court held open its doors. I found, also, I could be a pacifist in our great interstate community, the United States, because flowing from this very body were laws prescribing rights and duties and courts to adjust disputes. Then, however, I made a fundamental discovery. There was one community in which I could not be a pacifist, the community of nations, where nations meet and have their controversies just like individuals. In that community I could not be a pacifist; no; I had to be an anarchist, because that community *before the war*, the community of nations,

was not functioning under the rule of law but under the rule of force and anarchy when disputes arose. It is true there was a body of international law, the *jus gentium*, codified from the days of Grotius and De Vattel, but there was no court having jurisdiction to apply its principles to international controversies.

RESPONSIBLE CAUSE OF WAR

What are the causes of war? you may be asking. My answer is that the causes of war are innumerable and unpredictable in character. They are not merely economic, not merely the political ambitions of Napoleons and Caesars. They are innumerable and unpredictable in character. I consider the responsible cause of war to be the absence in the international community of a law-and-order organization with adequate agencies, with courts having a real jurisdiction to decide disputes between nations. The responsible cause of yellow fever, the physician will say, is not the mosquito. In our day of light and knowledge, the responsible cause is the absence of netting when mosquitos infest the neighborhood or of proper public measures to eliminate them entirely. So when nations have a serious dispute a war psychology arises between them because there was no court having jurisdiction to decide the dispute.

THE LEAGUE AND COURT

Does the United States require such an organization? We know our Republic has been a peace-loving country, yet we have had four foreign wars. Has the sacrificial price been paid to appease the pride of Mars? Witness the 10,000,000 sons of mother humanity dead on European battlefields, and the 20,000,000 crippled or gassed compelled to walk their way through life, not as God made them, qualified by Nature to meet the contingencies of life.

Now, Mr. Speaker, there is such a court, even as first proposed by the Quaker, William Penn. There is such a league. But the United States has been denied the privilege of enjoying the protection of those institutions when controversies arise, not by decisions in this House, I am glad to say, but in a tragic and historic session of the Senate.

A most unhappy oversight occurred to the illustrious great author of that greatest of peace procedures. The Covenant of the League ought to have been referred to this House and the Senate where majority votes should have determined its disposition, instead of to a session of a body where recalcitrant partisan and personal hates taking advantage of the voting rule of one-third plus one might easily encompass the defeat of any program. We should have no Constitution, yea, we should not be meeting here this day if two-thirds majorities had been required in the ratifying conventions.

SOVEREIGN RIGHTS

Now, what objections have been made, I ask, to the United States joining with others in the noble task of assuring public order in the international community? Oh, rights, certain sovereign rights might be jeopardized, it is said, if we enter the Court or the League. Who made this objection? Not the late Senator Root, not Secretary Stimson, not Chief Justice Hughes, not President Taft, and, surely, not Woodrow Wilson, whose shoe latches the puny critics of this generation are unworthy to loosen. Who are these objectors? Well, my friends, if you will divide men into two classes, those who do things in the world and those who have to be pushed out of the way while things are being done, you will find these objectors fall in the latter class.

Sovereign rights! When are the rights of our country sovereign—under what circumstances? Well, sir, the United States is sovereign in the 48 States of the Union. It is sovereign in Hawaii, in the Philippines, in Alaska, in Puerto Rico, and sovereign over 3 miles of the waters that wash their shores. It has sovereign exclusive rights wherever it can send its own courts and judges with jurisdiction to decide disputes. But out in the community of nations, out on the high seas, its rights are not exclusive, not sovereign. They are rights—international rights—which the United States enjoys only in common and in equality with all other peoples' rights

whose protection demand international organization. But, sir, as I grow older I am getting impatient with the person who talks only of rights, never of duties, in his course through this life. I want to hear from men and women who think equally of duties. There are no real rights without duties. It was duties that erected this Government. It is duties that are feeding and clothing and schooling the millions of little ones who are to follow us. Rights, rights there were, when the *Lusitania* went down, rights that had never been doubted—yet, what do we see as we look out on the Atlantic that fateful 7th of May 1915? The faces of 500 women and children, struggling in the waves, looking upward to Heaven and asking the Sovereign of the Universe to grant them a justice and a protection denied them by sovereigns on earth. Rights? Why mock their spirits with such utter futility and cant?

REASONABLE FAITH

"A warless world by court decisions? Who will enforce its decisions?" It is only a dream says the pessimist.

My friends, the trouble with the pessimist is that he dreams just as much as any other dreamer, but he dreams only nightmares. The practical fact is that, given a chance, nations have such a preference for law and order that as to some one hundred and fifty controversies between nations which have been submitted to arbitral tribunals and the World Court in not a single instance has war followed a decision.

In all this consideration, not precedent, not philosophy, not principle are lacking, but another element absolutely essential in all human endeavor, individual or social. It is a reasonable faith, a common-sense faith. We grant it to our insurance companies; we grant it to our courts; we grant it to our executive and legislative institutions—yea, we grant it under perfectly voluntary circumstances to our transportation agencies of travel in the darkness of the night. Why deny this faith to peace and order agencies? It is not the fool who grants this faith; it is the fool who refuses to grant it. To refuse this faith to peace institutions and give it to war instead, now when democracy and civilization are at stake, may mean treason to humanity.

THE LUDLOW RESOLUTION

Mr. Speaker, what I have said fully explains my own approach to the problem of war prevention and indicates my view of the inadequacy of the Ludlow method. Let me repeat, peace and order are institutional products which the human family has only been able to achieve through the institution of laws, with courts to decide disputes, and other agencies. The method of peace, I think, has been settled by the most extensive experience in the establishment of order in the domestic community. The Ludlow method finds no place in all that experience. Public organization to secure peace and restrain lawbreaking has always been the rule. Organization, whether by patriarch, tribe, king, or republic, but organization always. The Ludlow method is found nowhere, I repeat, in that experience. Indeed, the resolution does not propose any plan through which peace and order may be assured between nations. Wars are to be permissible forever under the Ludlow resolution.

We must, I think, distinguish between two kinds of supporters of the Ludlow method. There is the broad friend of peace and order in America, in Europe, in Asia, everywhere. He is also in favor of the World Court, like William Penn, and necessary organizations preventive of war. I am with him to my last breath. But there is another kind of supporter who rules the whole problem of war prevention out of his consideration. He, he declares, is "not an internationalist" but an isolationist. Not an internationalist—what then—Neanderthal man or Pithecanthropus erectus, perhaps. The anthropologist gives him that range of choice. "Not an internationalist." He says this utterly oblivious of the fact that he is "international" in saying it, in a language made up of Sanscrit, Greek, Roman, Germanic, French, and Celtic tongues. He may be saying it perhaps over the radio, whose very existence we owe to a Maxwell, to a Hertz, a Marconi, to the "Edison effect," and scores of engineers in as many

different countries of the world. Sir, one need not think twice to realize that our daily lives are governed and served by a precious civilization of composite international origin, whose continued life depends on international support and defense.

The Ludlow method takes no note of all this. It proposes no pax humana, of either Nazarene or Wilson conception. The pax Japonica concerns it not. Wars, foreign wars, it neither condemns nor approves. It ignores entirely the fact that the United States, under the Pact of Paris, is now obligated not to declare war except in self-defense; and the honorable fact that the United States keeps its covenants. Uncle Sam is no treaty breaker. There are no "scraps of paper" scattered guiltily over the floors of the office of our Secretary of State. The Ludlow method essays only to change the manner of declaring war. It reads:

Except in the event of an invasion of the United States or its territorial possessions and attack upon its citizens residing therein, the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum.

I am, sir, a pacifist, but I can find nothing of the principle of the pacifist in this resolution. Congress and the President are no longer to exercise the power to declare war, as deemed wise by the fathers, except in case of invasion. But who is to say what is an invasion or when it occurs? Congress, I presume. But suppose its decision should be contested in the courts as unconstitutional. Should the country go on waging war against the enemy while its lawyers were defending it in the courts, or obey the courts' injunctions to suspend military operations, awaiting its decision? There may be, as remarked by our colleague the Honorable CHARLES I. FADDIS, facts essential to judgment which our Government knows but cannot safely disclose to the public. Says he in the Forum:

In plans for the continuing defense of a nation, there is another factor. Not all the facts concerning military strength, methods, positions, and objectives can be made public. The war-referendum idea provides for a vote of the people when we are faced with war. But there is no possible way by which the people could be fully informed of what had been done and what remained to be done to thwart the designs of the enemy and protect the Nation. Such information would play squarely into his hands. Yet that very information ought to be a deciding factor in determining whether to make war.

Or again as well stated by the Congressman:

Suppose the vote is against war. Until the enemy arrives on our shores, no move can be made against him. He may decide not to invade at all but rather to destroy shipping and harry commerce in and out of our ports.

Finally, I would ask what is the use of holding such a referendum here unless a like referendum must be held in the enemy country. And what if the two referendums should result in conflicting verdicts? To me the whole plan of referendum suggests futility and folly. The Navy and the Army are about to have a terrific football contest; New York and Chicago, in baseball, have a rubber to play off, to determine their primacy. Why should they go to the expense of having umpires? If disputes arise between the players, why not refer the disputes to the bleachers? They are sufficiently interested to vote, and to come to what? A decision? Indeed, instead of saving this country from a possible foreign war, a referendum of that character, in my judgment, is more likely to involve us in two wars, the foreign war, of course, abetted and encouraged by such sabotage, and another war, here at home, civil in character, more to be dreaded than other wars.

CHINA AND JAPAN—ECONOMIC SANCTIONS

I will now turn away from this ill-considered proposal to wiser counsels we possess, thank God, within the Republic. I turn to the counsel of our great President in Chicago a few weeks ago. I turn to the statements of his greatly esteemed Secretary of State, the Honorable Cordell Hull. We know that our State Department stands out distinct in one of its aspects. It is never partisan. It is never Republican; it is never Democratic. It is always American, and acts with a view to preserving the peace and promoting the welfare of the country. So as a Democrat, I can consult

the Republican predecessor of our present great Secretary of State, the Honorable Henry L. Stimson.

A few days ago I introduced a joint resolution calling for the application of economic sanctions by the United States in cooperation with other nations, as a means to support our treaty and end Japanese aggressions in China. May I take a moment of your time now to read the conclusions reached with regard to this Chinese-Japanese situation, our immediate problem, by so great an authority as the predecessor of Cordell Hull, the Honorable Henry L. Stimson, free to speak and who did speak freely. What does this great statesman think upon the subject? First, in an open letter, he makes the statement:

Let me make it perfectly clear that in my opinion this is not a case where there should be any thought of America sending armies to participate in a strife that is going on in Asia. Not only is such a course probably militarily impossible, not only would it be abhorrent to our people, but to attempt it would do much more harm than good.

Then he adds:

The lamentable fact is that today the aggression of Japan is being actively assisted by the efforts of men of our own Nation and men of the other great democracy in the world—the British commonwealth of nations. It is not only being actively assisted, but our assistance is so effective and predominant that without it even today the aggression would in all probability be promptly checked and cease.

To what circumstance does he refer? To economic circumstances. We are under no necessity to have war with Japan, but we are under obligation, in both the Paris Pact and the Nine Power Treaty, to maintain and protect the rights covenanted; and that result, in the view of this former Secretary of State, can be obtained by economic methods. Secretary Stimson would not draw forth the Sword of Gideon; but, like Abram with Lot, he would cease trade with Japan. He calls attention to the fact that the United States supplies Japan with half her iron ore and 75 percent of her oil, and buys at the same time 85 percent of her silk by which she secures exchange to pay for our exports.

He continues:

So I say that the first glaring fact which stares us in the face in our analysis of the situation is that China's principal need is not that something should be done by outside nations to help her but that outside nations should cease helping her enemy.

In this grave crisis in the Far East we not only must not fear to face issues of right and wrong but we must not fear to co-operate with other nations who are similarly attempting to face those issues. Failure to act—

He warned—

will not keep this country out of war but will endanger our own peace.

Sir, our liberties, our independence have not been won in the past by condoning great wrongs in other nations. [Applause.] But they may be easily lost in that way. Witness China, if you want to know what such former shirking of duties bring.

I know the skies are hanging darkly over the democracies of the world; are threateningly lowering upon its civilization; but I do not discourage, I do not despair. I believe that the forces of civilization, that the fortitude of a justice-loving people, that the better statesmanship of the leading countries of the world are going to triumph over these evil influences.

We have been promised peace and order by the Father, speaking through the lips of His prophet, Isaiah. The day shall come when the sword shall be beaten into a plowshare. For He doth keep His covenants, the Good Book says, "The hills and the valleys may pass away, but His word endureth forever." [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. DIES asked and was given permission to extend his own remarks in the RECORD.

Mr. BARRY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD concerning our foreign policy, and particularly the policy of isolation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BETTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from the commissioner of labor of the State of New York together with a conference report in that connection on the wage and hour bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MURDOCK of Arizona, asked and was given permission to extend his own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. CULKIN. Mr. Speaker, I ask unanimous consent that on tomorrow after the disposition of the regular business, and the special orders heretofore entered that I may be permitted to address the House for 20 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent that on tomorrow after the disposition of the legislative program and the special orders heretofore entered that I may address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SNELL. Mr. Speaker, I ask unanimous consent that on Wednesday after the disposition of business on the Speaker's table, unless there is some regular order under the call of the Calendar, that the gentleman from Michigan [Mr. WOLCOTT] may address the House for 20 minutes.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent that on Wednesday the gentleman from Michigan [Mr. WOLCOTT] may be permitted to address the House for 20 minutes after the disposition of business on the Speaker's table and the completion of the legislation program. Is there objection?

There was no objection.

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent that on tomorrow, after the completion of the legislative program and the special orders heretofore entered, that I may address the House for 20 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLER. Mr. Speaker, I ask unanimous consent that on tomorrow, after the completion of the special orders heretofore entered, I may address the House for 3 minutes and 33 seconds.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

HELEN SHANAHAN

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 348

Resolved, That there shall be paid out of the contingent fund of the House to Helen Shanahan, widow of William F. Shanahan, late an employee of the House, an amount equal to 6 months' salary compensation, and an additional amount not to exceed \$250, to defray funeral expenses of the said William F. Shanahan.

The resolution was agreed to.

The SPEAKER. Under the special order of the House heretofore made, the gentleman from Michigan [Mr. MAPES] is recognized for 15 minutes.

DISREGARD OF THE VETERANS' PREFERENCE LAW

Mr. MAPES. Mr. Speaker, I do not care to make a speech, but I do want to call attention to what I considered a clear violation of the spirit, if not the letter, of the veterans' preference law in the filling of a position in the classified civil

service which has come to my attention. How general the practice is I have no way of knowing. I call the matter to the attention particularly of the members of the Veterans' Committee and other veterans of the House, as well as veterans' organizations, and all those interested in the civil service and the merit system throughout the country.

During the summer a vacancy occurred in the rural carrier service at Alto, a small village in Kent County in the Fifth Congressional District of Michigan, the district which I have the honor to represent. In the regular performance of its duty the Civil Service Commission conducted an examination for the purpose of furnishing a list of eligibles to the Post Office Department from which to make the selection to fill the vacancy. A great many took the examination. Finally, the Civil Service Commission certified to the Post Office Department the names of the three standing the highest. Of those three, two were veterans and one was a nonveteran. The two standing the highest were veterans. No. 1 on the eligible list with his veteran's preference had a rating of 100 percent. No. 2 and the nonveteran had the same rating, but under the preference law the veteran was given the preference and stood No. 2 on the eligible list. The nonveteran was last or No. 3. Notwithstanding the fact that the two highest were veterans and the third a nonveteran, the Post Office Department appointed the nonveteran in utter disregard of the spirit at least of the veterans' preference law and all civil-service laws and regulations.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield.

Mrs. ROGERS of Massachusetts. The gentleman does not blame the Civil Service Commission in any way in this, does he? I have found them always very fair and that they worked very finely with a small appropriation. The gentleman doubtless knows that the representatives of the national veterans' organizations have protested to the Civil Service Committee against the discrimination against veterans.

Mr. MAPES. I am glad the gentlewoman from Massachusetts has brought out that point, because the Civil Service Commission was in no way involved in the disregard of the law. I want to make that clear. It acted in the usual manner, performed its duty under the law, and submitted to the Post Office Department, the appointing officer in this case, the names of the three who stood the highest in the examination in the order of their standing.

My attention was called to the matter first after a petition had been circulated and signed by a large proportion of the patrons of the route, protesting against the appointment, and since I returned to Washington for this session of Congress I have received a letter from one of the chapters of Disabled American Veterans in my district protesting against the treatment accorded the veterans.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield.

Mr. KNUTSON. Has it occurred to my friend from Michigan that it is just barely possible that the unsuccessful candidates may have refused to buy a Democratic campaign book at \$250?

Mr. MAPES. I do not know about that, although my information is that the two veterans were Republicans and that the nonveteran was a Democrat. The postmistress, of course, is a Democrat. I want to make it clear, however, that there is no question of the fitness or character of any of the people involved. The postmistress is a nice woman; and, as far as I know, the nonveteran who got the appointment is a man of good character and good standing the same as the veterans are. The Post Office Department in its communication to me in regard to the matter certifies to the character and fitness of the veterans. Speaking of the veterans and the reasons why they were not appointed, the letter says, "Such reasons in no way reflected upon their characters or fitness." Apparently it was solely a matter of politics.

Mr. Speaker, as the Members of the House well know, the law provides that in making appointments to positions under

the classified civil service preference shall be given to honorably discharged soldiers, sailors, and marines. May I say that no one can get the full significance of the action in this case without reading the various statutes with reference to the appointment of veterans and the provisions of the civil service law and regulations as well. If anyone will do that he will appreciate how violent a violation of the spirit of the law the appointment of this nonveteran was.

In addition to the provision to which I have just called attention, there is a further statutory provision, passed in the Deficiency Act of July 11, 1919, as follows:

An appointing officer who passes over the name of a veteran eligible and selects that of a nonveteran with the same or lower rating, shall file with the Civil Service Commission the reasons for so doing.

When this matter was first called to my attention, I recalled that provision of the law, but I did not recollect the subsequent clause which reads as follows:

Which reasons will become a part of the veteran's record but will not be made available to the veteran or to anyone else except in the discretion of the appointing officer.

Notice that language: "Which reasons will become a part of the veteran's record." In other words, these reasons are filed with the veteran's record and become a charge against the veteran, but will not be made available to the veteran or to anyone else except in the discretion of the appointing officer. In fact in this case I have been unable to ascertain what reasons the appointing officer gave for his failure to appoint either one of the veterans.

Referring to the regulations of the Civil Service Commission I find that the President, on December 30, 1911, issued the following Executive order applying particularly to the appointment of rural carriers:

In all cases selections shall be made with sole reference to merit and fitness and without regard to political consideration. No inquiry shall be made as to the political or religious opinions or affiliations of any eligible.

The regulations go on to say that where an inquiry of that nature is made the fact shall be cause for the removal of the appointing officer and "the appointment of the rural carrier concerned, if elected, shall be canceled."

Mr. MICHENER. Will the gentleman yield?

Mr. MAPES. I yield to my colleague from Michigan.

Mr. MICHENER. Has the gentleman inquired of the Post Office Department as to whom the Post Office Department submitted the list of three for recommendation, other than to the local postmaster?

Mr. MAPES. No; I have no definite information as to that, but my understanding is that appointments of this nature have to go through the local Democratic organization, which in this case is the Kent County Democratic Party committee. Upon being consulted with reference to this matter and upon being asked to file the petition of protests of the patrons on this route, I took up the matter with the Post Office Department. I called attention to the fact that the Civil Service Commission had given me the ratings of the three eligibles and to the provisions of the law to which I have just referred. I forwarded the petition to the Department and asked that the matter be reconsidered and that one of the veterans be appointed to the office.

I have here the reply of the Post Office Department, written and signed by the Second Assistant Postmaster General, the substantive part of which I should like to read. After acknowledging receipt of my letter, the letter of the Second Assistant Postmaster General goes on to say:

In filling a vacancy in the rural carrier force the Department is privileged to select any one of the eligibles certified by the Civil Service Commission, provided that if it passes over a veteran to appoint an eligible whose name stands below that of the veteran on the register, it file with the Commission its reasons for so doing.

After a full consideration of the qualifications of the three eligibles certified, the Department, in the exercise of its right of selection, tendered the appointment to Harvey M. Slater, and filed with the Civil Service Commission its reasons for passing over the military eligibles, though such reasons in no way reflected upon their characters or fitness.

If the appointing officer can do that, this veterans' preference law might just as well be stricken from the statute books, because the appointing officer may say, if he chooses to do so, that he did not appoint either one of the veterans because his hair was red or because he did not like his complexion or because, as in this case, he was a Republican, all in clear violation of the spirit, if not the letter, of the civil-service statute and the veterans' preference law. As I stated, I do not know how general this practice has grown in the departments, but here is a case which it seems to me should be called to the attention of Members of the House and to the country.

Mr. CULKIN. Will the gentleman yield?

Mr. MAPES. I yield to the gentleman from New York.

Mr. CULKIN. I sympathize with the gentleman's indignation. May I call the gentleman's attention to a series of articles running in the Christian Science Monitor, which indicates the complete and absolute surrender of the civil-service system to politics? The inference is that the distinguished occupant of the White House gives lip service to the civil service and Field Marshal Farley rapes it at will.

Mr. MAPES. I think the gentleman's statement should be supplemented by the statement the gentlewoman from Massachusetts made to the effect that the fault cannot be laid at the door of the Civil Service Commission. The fault lies entirely with the Congress of the United States and the appointing officers; with the Congress in passing so many laws placing the employees outside of the civil service, and of the appointing officers, as in this case, in disregarding the spirit of those laws already on the statute books and the civil-service regulations.

Let me read the balance of this letter which I received from the Assistant Postmaster General:

From the foregoing you will understand that the appointment of Mr. Slater, which has already become effective, was regular in every way and that the military eligibles were in no way unjustly treated.

This appointment of Mr. Slater, a nonveteran, was made, although in the former paragraph he says the character and fitness of the veterans who outranked Mr. Slater on the eligible list were in no way questioned. Still they were passed over in complete disregard of all civil-service laws and regulations and of the Veterans' Preference Act. There is only one way to correct the wrong that has been done, and that is to cancel the appointment of the nonveteran, as the civil-service laws and regulations provide, and appoint one of the veterans. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. FORD of California asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. MAPES. Mr. Speaker, I ask unanimous consent to revise and extend the remarks which I have just made and to include therein copy of correspondence I have had with the Post Office Department, as well as certain pertinent provisions of the law.

The SPEAKER pro tempore (Mr. Cox). Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for one-half minute in order to ask a question of the gentleman from Michigan [Mr. MAPES].

The SPEAKER pro tempore. The Chair is not privileged at this time to recognize the gentlewoman from Massachusetts [Mrs. ROGERS] for that purpose.

Mrs. ROGERS of Massachusetts. Will the gentleman from California [Mr. SCOTT] yield for a half minute?

Mr. SCOTT. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I thank the gentleman from California. Would the gentleman from Michigan [Mr. MAPES] like to have that case taken up by the Civil Service

Committee, of which I am a member, for investigation? I think the committee would be glad to investigate it.

Mr. MAPES. One of the purposes I had in mind in saying what I have here today was to call the matter to the attention of the proper committees of the House and I shall be glad to have the committee, of which the gentlewoman is a distinguished member, consider the matter.

Mr. FADDIS. Mr. Speaker, I ask unanimous consent that on tomorrow, following the previous special orders, I may be permitted to address the House for 15 minutes.

The SPEAKER pro tempore. The gentleman from Pennsylvania asks unanimous consent that on tomorrow, after the completion of business on the Speaker's desk and following the special orders already entered, he may be permitted to address the House for 15 minutes. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from California is recognized for 20 minutes.

Mr. SCOTT. Mr. Speaker, as a rule I do not place very much credence in old adages, but there is one which I am inclined to recognize sometimes and to follow—that is the one which states that where there is smoke you will generally find some fire. I think, in connection with the subject I am going to discuss this afternoon, enough smoke has appeared on the horizon to indicate there is some fire present.

I want to talk for a short time about the Bituminous Coal Commission, its activities, and the publicity it has been receiving just recently. I believe I can qualify to speak on the subject because there is no coal produced in my congressional district. I do not believe there is any coal produced in the State of California, but, if so, it is not an appreciable amount. We do not use very much coal in my congressional district because of the climate, which is warm most of the year. We do not have to heat our homes as do people in other parts of the country. To be sure, we have transportation agencies which do consume some coal to generate steam, but the amount is negligible.

I believe I can also qualify to speak of the Bituminous Coal Commission because the Commission was established under a Democratic administration, and I belong to the Democratic Party. I believe I can qualify, too, because some of the things which have been stated just recently about the Commission affect my State politically because of the personalities involved.

I have no rancor in my heart and I am not gunning for anybody. The fact of the matter is that at this particular time in my life I have a friendly feeling for everybody. However, some things have happened down there which I want to take up, and which I believe the Members of the House might well consider, since we did establish a Coal Commission, which has complete supervision over a billion-dollar industry, and which in this supervision undoubtedly will supplant other governmental institutions in the regulation of interstate commerce, for example. This is particularly true due to the fact that this Commission is taking over the bituminous-coal statistical work of the Bureau of Mines, which has been in charge of such information for years, and has operated very efficiently.

Just the other day Mr. George Edward Acret, who has been the Acting Director of the Division of Trial Examiners, resigned his position, and in doing so made certain serious charges against the Bituminous Coal Commission and others. If there is enough smoke connected with the Bituminous Coal Commission to cause the Chairman of the Commission to offer his resignation first as Chairman and later as Commissioner and then, after each offer of resignation, to withdraw each of them; if there is enough smoke to cause a member of another body to go before the Commission and "lecture" its members; and if there is enough smoke to cause the Acting Director of the Division of Trial Examiners on the day of his resignation to list certain things about the Commission which, he contends, are seriously wrong, then

there is enough fire for the House of Representatives, which established the Commission, to look into the matter and determine whether the statements of the latter gentleman are true or whether the things which have appeared in the papers are untrue and therefore should be recalled.

Mr. Acret was a prominent lawyer in the city of Los Angeles, living in a town as advantageously situated as the city of Long Beach as far as climate is concerned. In 1934 he was a candidate for justice of the Supreme Court of the State of California, and was well enough thought of by the people of the State of California to receive 456,000 votes for this office. When the old Commission was established he, with four others, received an appointment as a Commissioner. There were then five Commissioners, who remained there until the Supreme Court declared the law unconstitutional. Under the new law the new Commission was set up, and four of the old Commissioners were reappointed—Mr. Acret was not reappointed—and three new members were placed on the Board.

A majority of the new Commission, however, almost immediately employed Mr. Acret as the Acting Director of the Division of Trial Examiners. It was his duty as chief examiner to go into the different States and different localities and conduct hearings, to have the producers of coal come before him so that he and his assistants might find facts upon which the Coal Commission could later issue orders regulating the production of coal and regulating commerce in coal; and if the intrastate commerce directly and detrimentally affected interstate commerce, then the Commission's order could regulate intrastate commerce in coal under the provisions of the Coal Act. I want to bring up later one intrastate commerce hearing which was held and the action of the Board afterward as far as that hearing was concerned.

There are some parts of Mr. Acret's charges and of his accusations into which I cannot go. There are some parts of the newspaper stories regarding his accusations which I cannot read because the rules of the House restrain its Members from mentioning individuals connected with the United States Government in another body. However, the story appeared in the Washington Daily News of Wednesday, November 17, and in the Los Angeles Daily News of Thursday, November 18. If you have not already read it, I hope you will get that paper—it may have been in other papers, though I saw the article in that one—and read the entire article.

The first charge the newly resigned Acting Director made is that the Commission, "which has already been in operation for 6 months, is without any sensible or workable form of organization and is loosely and incompetently administered." Of course, this is one man talking. It may be possible this one man is sore about something; it may be a personal grievance. However, I wish to call attention to the fact that the Commission is and has been divided almost from its inception, four against three. I also call your attention to the fact that the four members of the Commission have set themselves up as directing Commissioners, acting for the entire Commission, and to the fact that the law which established the Commission said nothing at all about directing Commissioners.

Stories have appeared in the papers with reference to the difference of opinion between the four and the three Commissioners, so while Mr. Acret may be one individual suffering from a personal grievance, at the same time we must take into consideration the division of opinion in the Commission, about which I shall say more later, and we must also take into consideration that Mr. Acret resigned—he was not fired—what supposedly is a \$10,000-a-year job, and then made these accusations that the Commission is "without any sensible or workable form of organization."

I do not know about that, but I believe there is one way of finding out whether the Commission is operating as it should. I do know this particular Commission has been promising that a scale of rates and of prices would be made effective at any date, going back almost to the middle of

August, and that the schedule of rates has not yet been published.

They were then promised for Thanksgiving. The resigned head of the trial examiners makes the prophecy in the papers that they will not even be in operation by the first of the year and that they will not be "effective" then. I called this morning to find out when they would be available and it was stated that they might be available "at any time now."

The second charge that was made is, I think, a rather serious charge against what is supposed to be an independent commission established by the Congress to do a particular job. That is that "certain political influences and interferences with the normal functioning of the Commission are chiefly responsible for the almost complete break-down of the Commission."

It is hard to get away from political influence on any particular commission. All of us at one time or another think that we see the proper thing to do and we ask commissions to do it. We do not always get what we want, but there are individuals who can, in general, get exactly what they want. It is not right, but it happens. It should be reduced to a minimum.

He refers in his third charge, and I hope you will notice this closely, to the fact there is a fundamental difference existing between two factions of the Commission over the Chairman's "scheme"—I use the same word that Mr. Acret did—to have the Commission "grant at the expense of the general consumer a special below-cost price of coal to the railroads for locomotive fuel."

I asked somebody else who was closely connected with the Commission whether that fundamental difference existed, and he said, "You bet your life it exists, but we hope there is a possibility that when the new rate is published that that difference will not be in there." I asked him if it would be in there and he said, "I cannot tell you now, but it may not be; so I suggest that before you mention the subject that you wait until the schedule of rates comes out and then make the accusation."

This particular difference between members of the Commission dates back to the old Commission set up under the first law. At one time when it was barely possible that the Commission would establish a rate of prices for coal, and at the time the chairman of the Commission was most interested and actively engaged in getting a special below-cost price of coal to the railroads for locomotive fuel, Mr. Acret opposed the granting of that special rate. Another member of that Commission likewise opposed the granting of a special below-cost rate to the railroads, and the chairman of the Commission set up a \$12,500 fund and told Mr. Acret and the other Commissioner that it might be a good idea for them to go to Europe to study coal in foreign countries.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield for a question?

Mr. SCOTT. In just a moment.

That Commission, you will recall, did not have money directly appropriated to it by the Congress for its operation, so it got \$90,000 from the W. P. A. fund for its administration and \$12,500 of that money was set aside on the recommendation of the Chairman for these two gentlemen who opposed the "special below-cost price of coal to the railroads for locomotive fuel" to take a trip to Europe so that, undoubtedly, in their absence the matter could be decided. Both Commissioners, however, refused to take the trip, even though it was made so very attractive.

I now yield to the gentleman from Texas.

Mr. McFARLANE. I appreciate the splendid address the gentleman is making on this subject, and I am wondering if he can tell us the political pressure that is being brought to bear as indicated during the course of his remarks and also whether he can tell us who it is that is applying the political pressure.

Mr. SCOTT. I cannot under the rules of the House.

Mr. McFARLANE. The rules of the House or of the Senate?

Mr. SCOTT. There are rules of the House that prevent me from referring to certain individuals. The papers carried the story and mentioned names, however.

This fundamental difference still exists between the majority and the minority members of the Commission. Mr. Acret says that when the schedule is printed then the whole thing will come to light, the whole difference of opinion will come to light. Why not bring it to light now and see to what extent those members of the Commission who were in favor of granting a special below-cost price of coal to the railroads were trying to put it over before the rates themselves are established.

Mr. Acret was the acting director of the division of trial examiners until just the other day. Mr. Acret at one time was told that it would be to his advantage to "go along" with the Chairman.

I have heard the words before, used by the same individual, who told a prominent friend of mine in Los Angeles that it might be a good idea to "get along" with a certain lawyer in Los Angeles. I refrain from mentioning his name because it might be an infringement of the rules of the House. Later the Chairman of the Commission was told to fire Mr. Acret as the acting director because of his opposition to this scheme, as he refers to it, of the Chairman of the Board. Last September the personnel man in the Commission notified Mr. Acret that he was dismissed. Mr. Acret took the notice to a minority member of the Commission and said, "Look at that." The dismissal was entirely unauthorized by the Commission. This minority member of the Commission called five newspapermen and said, "Come down to the meeting. It might be interesting." When they appeared the Chairman of the Commission came in and said to this minority member of the Commission, "Just forget about that Acret dismissal; I have withdrawn that." It was not until 2 months after that occurrence that Mr. Acret resigned his position as Acting Director.

Mr. Acret makes the charge also that some of the present Commissioners are continually subject to the fear of political reprisals and are thus in danger of being "so influenced that they cannot reach independent decisions." The Commission at one time was told, in substance, that, "If you fellows cannot get along down here, cannot work together, cannot reach an agreement of your differences, there is a possibility that the membership of the Commission will be cut from seven to three, and four of you will lose your jobs."

The Acting Director, who has just resigned, says that the Commission is at the point of becoming "a national scandal." I, then, as one who voted for the creation of the Bituminous Coal Commission, am interested to the extent that I do not want to see it become a national scandal and reflect discredit upon the judgment that I exercised in voting to establish the Commission—a Commission that is regulating, understand, a billion-dollar industry.

He charges, sixth, that although the Commission now announces that there will be prices effective at Thanksgiving, that these prices will not in reality be put into operation until much later, and that under pending proceedings they will not be effective then, because of certain basic legal defects in the Commission's loose manner of conducting its legal affairs.

That is the charge made by a prominent and reputable Los Angeles attorney whose ability, whose integrity, nobody has ever questioned. Yet, when he made the charges that he did against certain individuals, those certain individuals retaliated, not by answering his charges, not by saying that they are untrue, but by making a direct personal attack on the man who said it. I have had some experience with that in the past from the same individual who now attacks Mr. Acret. At one time I saw fit to criticize something that he had done and asked him for an explanation. In place of getting the explanation, I got personal abuse in a letter from him—a letter which he gave to the newspapers.

To resume:

They (the prices) will not be effective then because of certain basic legal defects in the Commission's loose manner of conducting its legal affairs.

That is from the man who received 456,000 votes from the people of the State of California for the office of justice of the Supreme Court of the State of California.

Mr. Acret says, finally, that—

The so-called directing Commissioners, a self-styled dominating body, wholly unauthorized by statute, are guilty of unbelievably disgraceful incompetence and extravagant waste in their administration of the billion-dollar bituminous-coal industry.

The Commission appointed this man as Director of the Trial Examiner Division. He had been a member of the old Commission.

Certainly anybody in whom the present Commission had enough confidence to place in the very important position of Acting Director of the Trial Examiner Division, a large division, composed of able men acting in the capacity of trial judges, ought to be given the courtesy of very serious consideration when he makes charges of the serious character which have been made in Mr. Acret's written statement. These charges cannot be considered as a just case where an individual who, through pique or prejudice, makes statements which cannot be sustained. The charges Mr. Acret has made are such that it would be unwise for him from any standpoint to make them at random. He has produced for me certain documents, which, I think, are on the fore of them, substantial evidence for reaching a conclusion that the Coal Commission is guilty of "unbelievably disgraceful incompetence," and that "under pending proceedings the present rates will not be effective then (on January 1) because of certain basic legal defects in the Commission's loose manner of conducting its legal affairs."

Last July the Commission directed Mr. Acret, as Director of the Trial Examiner Division, to go into the State of Ohio and to hold a hearing there to determine whether Ohio intrastate commerce could be brought under the jurisdiction of the Federal Government. He conducted those hearings and prepared his findings of fact and filed them with the Commission, with the intention that the Commission use these findings of fact as a basis for an order that would bring intrastate commerce in coal in Ohio under the control of the National Bituminous Coal Commission, subject to the individual's right to make claim for exemption. In order to accomplish this it was necessary, under the express requirements of the Coal Act, that these findings of fact clearly establish certain very definite, very conclusive facts that intrastate commerce in coal in Ohio directly affects interstate commerce. Instead of accepting Mr. Acret's very able report the Commission referred the report to the legal staff of the Commission—to the lawyers who had represented one side of the case in Mr. Acret's court. Mr. Acret states that the reason for this extraordinary procedure was the Chairman's personal animosity toward him.

Mr. Acret makes the charge that when his findings were referred to the legal division they changed them around as much as possible so that nobody could recognize them as the old findings of fact; that they changed parts here and parts there, but continued to use his findings as a basis for their findings of fact, and then used these substituted findings as a basis upon which to establish the Commission's order bringing all intrastate commerce in coal in the State of Ohio under the Commission's jurisdiction. In doing so, the legal division so jumbled the facts, and made so many mistakes in copying the facts, and omitted so many material facts, that the findings of fact which they will have to present in court to make their order stand up, are so vague, are so incomplete, are so jumbled, that no court will ever uphold the Commission's order.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. SCOTT. I yield.

Mr. JENKINS of Ohio. I am very much interested in what the gentleman is saying about Ohio coal. I am sorry I did not hear the first part of the gentleman's remarks. Has the gentleman already laid the basis of all the historical facts with reference to the separation of this gentleman from the service?

Mr. SCOTT. Yes.

Mr. JENKINS of Ohio. I am sorry I missed that.

Mr. SCOTT. He resigned.

Mr. JENKINS of Ohio. I am very much interested in this phase of it, and I made inquiry today on this one point: I understood from the newspapers that the Commission had decided that all coal produced in Ohio was interstate coal. I cannot, for the life of me, see how they could make that sort of finding, because when we passed that bill, and when the bill was considered in the Ways and Means Committee, of which committee I am a member, I took a very active interest in the consideration and passage of the bill. I maintained on this floor that there would be some instances where coal could be produced in Ohio that would not be interstate, and consequently could not come within the purview of that law. When I noticed in the newspapers that they had made that sort of finding, naturally I was very much interested. I shall follow the gentleman's discussion with a great deal of interest.

Mr. SCOTT. The gentleman raised the question about Ohio. After the trial division presented its findings of fact and prepared an order the Acting Director of the Trial Examiner's Division, before he resigned, made an analysis of his findings of fact and the legal division's findings of fact, showing the errors, showing what the legal division has done, and showing why its findings of fact will not be sufficient to stand up in court if anybody attacks the order that is made. I have that analysis with me.

I ask unanimous consent now, Mr. Speaker, that in the revision I may make reference to certain excerpts from the report that was prepared by the Acting Director of the Trial Examiner's Division of the Bituminous Coal Commission.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. SCOTT. This reads as follows:

NOVEMBER 18, 1937.

To: Commissioner John C. Lewis.

From: George Edward Acret.

Subject: Fatal defects in findings of fact of the Commission re Ohio Intrastate Commerce Proceeding, No. 18 FD.

On August 10, 1937, as the trial examiner who presided at the hearing held for the purpose of laying the legal foundation to subject intrastate commerce in bituminous coal in the State of Ohio to the jurisdiction of the Bituminous Coal Act, I delivered to the Chairman my findings of fact and conclusions of law and a proposed form of order. In view of the importance of this proceeding these documents were prepared with great care and in a workmanlike manner. Though no defect was found in their accuracy and correctness in every respect, I understand that, nevertheless, the Legal Division of the Commission went beyond its function and undertook to prepare a substitute for the examiner's findings and conclusions, and that these substituted findings and conclusions have recently been adopted by the Commission. Inasmuch as they are intended as a guide for similar proceedings which are being held with reference to all of the other coal States in this important matter, and inasmuch as they are fatally defective, it is my duty to call to your attention the serious situation which now exists.

I understand that the findings of fact as adopted by the Commission, after being held up for more than 12 weeks of unwarranted consideration by the Legal Division, contained, when adopted by the Commission, additional errors than those hereinbelow set forth. I further understand that no findings of fact upon which the Commission's order purports to be based were filed with the Commission until many days after the order was published, and that the defective findings as adopted by the Commission have since been changed without authority of law.

Based upon these substituted findings the Commission has made its order that all transactions in intrastate commerce as to all localities in the State of Ohio directly affect interstate commerce and are therefore subject to the jurisdiction of the Commission. Irrespective of the express requirements of the Coal Act, it will, of course, be admitted that this order is a nullity unless it is supported by good and sufficient findings of fact and conclusions of law. The Commission's substituted findings, according to the only copy of this public document which I have been able to obtain, are fatally defective and will not support the Commission's order for the following reasons, in addition to their having been filed subsequent to the Commission's adoption and publication of such order:

1. Because the Commission's substituted findings upon their face show substantial misstatements and errors concerning well-known facts of the industry and concerning the facts and figures adduced at the hearing.

2. Because the Commission's substituted findings do not find that any definitely stated coal in intrastate commerce in Ohio is in competition with interstate commerce in any definitely stated locality, or localities, in the State of Ohio.

3. Because the Commission's substituted findings do not find facts sufficient to justify the Commission's purported conclusion that coal in interstate commerce in Ohio directly, detrimentally affects interstate commerce.

POINT I

The Commission's substituted findings are insufficient to support the Commission's order because they show upon their face substantial misstatements and errors concerning well-known facts of the industry and concerning the facts and figures adduced at the hearing.

At the outset the Commission found on page 2 of its substituted findings as follows:

"2. That during the years of 1929 and 1934 to 1936, inclusive, there was a total of 88,861,334 tons of bituminous coal produced in Ohio."

All of the figures embodied in the above-quoted total were presented at the hearing with the express understanding that such figures did not include the important item of any tonnage produced by the substantial number of wagon and truck mines in Ohio producing less than 1,000 tons per year, and did not include the substantial item of coal used by railroads and steamships, each of which limitations the Commission's findings, as above quoted, do not mention. This finding is incorrect in addition by approximately a mere matter of 50,000,000 tons by reason of the fact that no figures were available concerning the years 1930 to 1933. The correct finding should have been as contained on page 27 of the Examiner's Findings of Fact, which reads as follows:

"27. The production of bituminous coal in the State of Ohio for various years since 1929, exclusive of that produced by wagon and truck mines producing less than 1,000 tons annually, and the amount of such coal consumed in Ohio, exclusive of coal used by railroads and steamships, all in net tons, is as follows:

Year	Production	Amount consumed in Ohio
1929.....	23,680,477	10,428,415
1934.....	20,690,564	11,220,233
1935.....	21,153,151	11,638,877
1936.....	23,327,480	12,730,011

"The balance of coal which was produced and not used in the State of Ohio was shipped to surrounding States and elsewhere in interstate commerce."

Obviously, whoever undertook to reframe the examiner's findings overlooked the fact that the total tonnage for the years 1929, 1934, 1935, and 1936 is indicative of nothing, and certainly does not represent the total production "during the years 1929 and 1934 to 1936, inclusive." In addition, a clerical error appears to have been made making this total, since the separate items, if totaled at all, should total 188,860,672 and not 188,861,334. The total being incorrect in four separate columns by reason of errors of addition, is, of course, a small matter as compared to the error of about 50,000,000 tons as above stated by reason of the misapplication of these separate items and as compared to the omission of a statement of the other factors and limitations involved.

The next finding of the Commission is in error for a similar reason. Paragraph 3 purports likewise to state the total consumption of coal in Ohio "during 1929 and 1934 to 1936, inclusive," when in fact such total likewise merely represents the consumption in Ohio during the separate years of 1929, 1934, and 1936. This finding is, therefore, in error by approximately 30,000,000 tons. As stated, a total covering various odd years is, of course, indicative of nothing.

An inspection of the findings prepared by the examiner and of the findings adopted by the Commission will indicate that someone merely took the examiner's findings and placed first that which came last and undertook to restate most of the figures contained in the examiner's findings in a left-handed or reversed form with the result that serious errors and omissions have intervened. These substituted findings state that the Commission "differs somewhat from the findings of the examiner." A comparison of the two documents, however, discloses no points of difference except errors of computation, petty transformations, and serious omissions of fact from the Commission's substituted findings, thereby illustrating the necessity of the rule under which good practice requires that all important documents be prepared from original sources in order to avoid what is termed in legal and engineering parlance "accumulated errors."

Let me illustrate this point further. The findings of the trial examiner on page 23 are as follows:

"Of the 49,055,000 tons consumed in Ohio in 1929, 10,428,415 tons were the production of Ohio mines and the difference came into Ohio in interstate commerce from these six competing States. In 1929, 21.2 percent of the total consumption was Ohio coal."

The Commission, however, in its substituted findings stated as follows:

"7. That during the year 1929 the State of Ohio consumed a total of 25,365,523 tons more than was produced within the State.

"8. That tonnage of interstate shipments of bituminous coal consumed within the State of Ohio during the year 1929 was 38,627,585 tons, which was 79.8 percent of the total consumption of coal within the State."

The difficulty with this, in addition to the fact that the statement does not correspond to the form of the proof, is that, whoever prepared these substituted findings, in making his left-handed restatement, made an error in subtraction of approximately 1,000,000 tons. Also, the substituted findings purport to subtract 21.9 percent from 100 percent to secure the percentage of Ohio interstate coal of the total Ohio consumption and thereby secure a result of 79.8 percent, thus, of course, making the total Ohio consumption the extraordinary amount of 101 percent and thereby giving further evidence of the necessity of following the rule that all important documents be prepared from original and not secondary sources.

The Commission's substituted findings are replete with errors similar to those above set forth as to both facts and figures. It should not, however, be necessary to further develop this point in view of the fact that there are still more serious errors to be discussed which go to the very gist of the entire proceedings.

POINT II

The Commission's substituted findings are insufficient because they do not find that any definitely stated amount of coal in intrastate commerce in Ohio is in competition with interstate commerce in any definitely stated locality or localities in the State of Ohio.

It will, of course, be conceded that one of the necessary elements for an order subjecting Ohio intrastate coal to Federal regulation is a finding that there is in fact competition between Ohio interstate coal and some definitely stated amount of intrastate coal in certain definitely stated localities in the State of Ohio. The Commission's finding of this necessary and specific element is as follows:

"13. That a large number of representative cities and towns throughout the State of Ohio, numbering over 1,000, received shipments by rail of bituminous coal from both intrastate and interstate origins in 1936; that there is keen and active competition of intrastate commerce in bituminous coal with interstate commerce in bituminous coal in substantially all coal markets in the State; that the evidence of production and distribution presented concerning previous years establishes the fact that the distribution of coal in intrastate transactions and interstate shipments by rail in Ohio, follow generally the conditions prevailing in Ohio in 1936; that, in addition, there are large shipments of intrastate and interstate bituminous coals moving by trucks into the several large consuming market areas; and that this coal engages in keen and active competition with interstate and intrastate rail coal."

There is no place either in the Commission's substituted findings or in the Commission's conclusions as to what coal or localities in the State of Ohio are referred to in the above-quoted finding. In the substituted findings and conclusions the practice is adopted throughout of referring to the coal and localities sought to be subjected to the jurisdiction of the act as merely "coal" and "localities." It is obvious that the use of the words coal and localities, standing alone, is a partitive construction meaning, merely, "some coal" in an indefinite amount, from some unidentified mine or mines, is in competition with interstate coal in some two or more localities in the State of Ohio, without any indication of what such a "locality" consists, or where such locality, or localities, may be located.

It is also obvious that the expression "a large number of representative cities and towns * * * numbering over 1,000," merely indicates that there are more than 1,000 of such cities and towns, and that this indefinite number, over 1,000, is not included among those destinations which receive coal in interstate commerce. Likewise, the words "substantially all coal markets in the State" indicate that there are an indefinite number of "coal markets" in which there is not any competition between interstate and intrastate commerce in coal in Ohio. Of course findings of fact cannot be made in any such loose manner. Findings of fact, to have any legal effect, or any sensible meaning, must be made in a much more precise manner. Under these findings the attorney for any producer in the State, and the charge of any court, may rightfully claim that the particular coal of any producer and the particular market in Ohio to which his coal goes is not covered by the Commission's findings and is within the Commission's implied and admitted, but undefined, exceptions. It would seem that one need not be a lawyer to understand this simple proposition.

Since the Commission has formally made an order attempting to subject Ohio coal in intrastate commerce in Ohio sold in all localities of the State to the jurisdiction of the act, the Commission should certainly have made its findings as broad as its order. They are expressly required to be so by the Coal Act. The findings which were necessary to sustain the Commission's order were those contained at page 22 of the examiner's findings, which are as follows:

"The Ohio coal which is consumed within the State is shipped in intrastate commerce by either rail, water, truck, or wagon to every locality, county, and destination within the State, and is used within the State for all purposes for which coal is used. All of such coal, of every kind, quality, use, and description, and however transported, insofar as is revealed by the record herein, as to all localities, counties, and destinations in the State of Ohio, is in direct, very active, keen, destructive, and cutthroat competition at each of such localities, counties, and destinations with all of the coal hereinafter referred to, of every kind, use, and description, which comes into the State in interstate commerce from other States, to each and all of such localities, counties, and destinations."

LXXXII—17

A similar fatal defect is carried over into the Commission's purported conclusions which were substituted for the conclusions made by the examiner. The Commission has actually stated no conclusions but has merely stated that which purport to be conclusions but which are in fact additional defective findings of fact. These purported conclusions were obviously taken from the findings made by the examiner, but the necessary words to make these findings effective in any respect have been omitted. On page 9 of the Commission's substituted conclusions the Commission purports to conclude, with emphasis added by me, as follows:

"1. That bituminous coal consumed in the State of Ohio, which is produced within the State of Ohio and shipped to Ohio destinations, is in direct, keen, active, and continuous competition with bituminous coal shipped to the same markets from interstate sources and transactions in bituminous coal in intrastate commerce between localities in Ohio directly affect and prevent the free flow of interstate commerce in bituminous coal from producing localities without the State of Ohio; that transactions in intrastate commerce in bituminous coal within the State of Ohio at unregulated prices will depend upon interstate transactions in coal moving from Ohio producers to markets that are regulated in order to maintain the unregulated prices in Ohio markets; that interstate shippers, subject to regulated prices, will be unable to compete in unregulated markets in Ohio."

In addition to covering no definite coal in any definite locality, the above paragraph is also defective because the last two sentences have no sensible meaning. Apparently, whoever made the transposition from the examiner's findings further "lost his way" in these two sentences.

The above-quoted purported conclusion is contained as part of the examiner's findings of fact properly stated, and placed where it belongs in the findings of fact, is as follows:

"43. By reason of all of the foregoing facts and by reason of the heretofore-mentioned destructive and cutthroat competition, if any of the coal produced in Ohio and consumed in Ohio in and from any locality, county, or destination within such State, of any kind, character, or description, or for any use or purpose, were not subjected to regulation under the Bituminous Coal Act of 1937, all coal of every kind, character, or description, and for any use or purpose, coming into the State of Ohio in interstate commerce to any and all localities, counties, and destinations, would be directly affected to the extent that such Ohio coal is left unregulated and the interstate bituminous coal market in Ohio would be and become further demoralized and to an extent greater than such demoralization exists at the present time, for the reason that a producer of Ohio coal whose coal is left unregulated, would be free to, and would, cut prices to an extent sufficient to completely exclude an equivalent amount of coal heretofore coming into the State of Ohio from competing States."

"44. All transactions in Ohio intrastate coal in and at all localities and counties in such State now directly affect and will continue to directly affect, and for a long time past have directly affected, interstate commerce in all coal moving into Ohio from all competing States in and to each and all localities, counties, and destinations in such State, and, insofar as is revealed by the record herein, all transactions in Ohio intrastate coal of every kind, character, and description, and for every use and purpose, now directly affect, and will continue to directly affect, and for a long time past have directly affected, all such interstate commerce in all such intrastate coal."

"45. If transactions of bituminous coal in intrastate commerce in Ohio as to all localities, counties, and destinations, of such State were unregulated under the provisions of the Bituminous Coal Act of 1937, such transactions would cause an undue and unreasonable advantage and preference in favor of each of such localities, counties, and destinations, and against all coal coming into the State of Ohio from competing States, and would cause an undue, unreasonable, and unjust discrimination against all of such coal coming into the State of Ohio from such competing States."

The trial examiner followed these findings by appropriate conclusions of law which appear to have become lost in the substituted findings and conclusions as adopted by the Commission, and, as a result, the Commission's findings and purported conclusions contain no conclusions of law at all.

Attention is respectfully directed to the fact that the order adopted by the Commission directly follows and apparently appropriates the exact wording of conclusion No. 4 of the examiner's conclusions. This is, of course, partly the purpose of conclusions, to wit, a guide to the form of the order.

It should not be necessary to point out the legal effect of any single one of the deficiencies set forth under this point. It should be noted that these defects are carried over into the Commission's purported conclusions of law and into the Commission's order.

POINT III

The Commission's substituted findings are insufficient to support the Commission's order because they do not find facts sufficient to justify the Commission's purported conclusion that coal in intrastate commerce in Ohio directly and detrimentally affects interstate commerce.

It will doubtless be admitted that it is not sufficient for the findings of fact to establish merely that there is keen and active competition between certain definitely described intrastate and interstate coal in Ohio in certain definitely described localities in the State of Ohio (if such coal and localities were definitely described) but that, in addition, it is also necessary that there be found facts establishing that such competition directly and detrimentally affects such interstate commerce.

The basic facts which cause and which will continue to cause such competition to affect all transactions in bituminous coal to the detriment of interstate commerce are well known throughout the bituminous coal industry. These facts are numerous and relate to the bituminous coal industry alone. It is the concurrence of all and each of these facts which causes the detrimental effect of Ohio intrastate coal upon interstate coal as stated in the Commission's order.

The examiner made findings as to each of these peculiar, exclusive, and concurring basic facts in the first 26 paragraphs of his findings, which findings in this respect consist of a complete dissertation of the outstanding facts of the bituminous coal industry. These basic facts, ipso facto, establish the conclusions reached in the examiner's report. These facts show why the coal industry, of necessity, is continuously engaged in selling coal, on the average, at prices substantially below the cost of production; why competition in the industry is carried to the nth degree; why, as a natural consequence, such conditions in the industry cause competition in intrastate coal in Ohio to be so seriously detrimental to interstate commerce as to inevitably destroy intrastate commerce entirely; and why regulation of such intrastate commerce in Ohio is an absolute necessity not only from the standpoint of the welfare of the operator and of the mine labor, but also from the standpoint of the public welfare with relation to conservation and mine safety.

The Commission recognizes the importance of these basic facts by making reference to many of them in its opinion rendered in this proceeding. And yet but two or three of these basic facts, the concurrence of all of which is necessary to establish the Commission's right to regulate intrastate commerce, are made a part of the Commission's substituted findings of fact. That essential part of this case which is covered in the first 26 paragraphs of the examiner's findings of fact is transposed only in part into one paragraph at the end of the Commission's findings. This one paragraph and the Commission's other substituted findings are totally insufficient to sustain the all-embracing order which the Commission has made that all intrastate coal in Ohio directly affects all Ohio interstate commerce and causes unreasonable and unjust discrimination against such interstate commerce.

The Federal Government cannot subject to the penalty of the Coal Act the intrastate commerce of Ohio, or any other State, in any such loose manner.

It is my opinion that the order of the Commission in this proceeding, by reason of each, or any, of the hereinbefore-mentioned defects is void. The Commission, of course, has now no jurisdiction to change its findings or its order in any respect and the order should therefore be vacated. New proceedings should be commenced from the beginning and a new hearing had. Instructions of the Commission are respectfully requested as to proceedings which have been had, or which are about to be had, in 25 or 30 other States of the United States.

GEORGE EDWARD ACRET,
Acting Director, Division of Trial Examiners,
National Bituminous Coal Commission.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that the gentleman be granted 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. I yield.

Mr. JENKINS of Ohio. For fear that the gentleman does not have time to finish, would the gentleman care to express to me his own personal opinion as to whether the report made by this man about whom we are talking is contrary to the general report that all coal produced in Ohio is held subject to interstate commerce?

Mr. SCOTT. No; it is not. His finding was that all intrastate coal in Ohio directly affects interstate commerce, subject to the individual operator's right to make claim for exemption, but the point I am making is that after he brought out his findings upon which he recommended that an order be issued bringing all coal under the Bituminous Coal Commission's jurisdiction, the legal division, rather than take his report, prepared and made new findings of fact and based their order on it, but the findings which they brought forward were so poorly drawn up and lacking in facts that if it is attacked in the courts it cannot stand. Since every other State that produces coal is going to be faced with the same situation, it is going to be precedent for every other State, and the thing they will have to do, since the order has been issued, and cannot be changed, is to throw the whole thing aside and start the thing all over

again; conduct the entire hearings over again and establish the facts and proceed as they should have proceeded at first. This is but one example of many which seem to support Mr. Acret's charge that the Commission is guilty of "unbelievably disgraceful incompetence." I feel fairly sure that an examination of Mr. Acret's analysis of the Commission's defective findings in this proceeding will bring conviction that these findings constitute one of the most astonishingly incompetent documents ever promulgated by any Government bureau.

Mr. JENKINS of Ohio. If the gentleman will yield further for an observation, it is my opinion from the study I have made of this question that coal can be produced in Ohio or any other State that will not be subject to the purview of this law.

Mr. SCOTT. In the revision of my remarks I intend to go very fully into the subject of his findings and a review of them, but in the remaining time let me remind you again that this man is a reputable and prominent attorney of high standing, that he was a member of the old Commission, that he was appointed by the majority of the Commission to an important position with it, that he conducted the hearings in the first State where the precedent was to be established for all further activity so far as the Bituminous Coal Commission is concerned and their control over the production of coal, that he resigned and said that the so-called directing Commissioners, a self-styled dominating body, wholly unauthorized by statute, are "guilty of unbelievably disgraceful incompetence and extravagant waste in their administration of the billion-dollar bituminous-coal industry."

I believe, once more, that where there is smoke there is fire, and have introduced a resolution that recites the charges that he has made and concludes with the only action that we in the House of Representatives have available in dealing with a situation of this kind: That a committee of the House composed of seven Members, as nonpartisan as can be found, be appointed to investigate particularly the charges that have been made by the man who resigned as acting director. That the investigation be made not in the form of a trial, but that the Speaker have the power to establish the committee to make its own investigation and report back to the House what they find out. If we appoint a commission and turn it loose, things can happen to it that even the commissioners themselves do not want to have happen. The commissioners are very often brought under such complete domination or are under such constant fear of political reprisal that they will do things that they themselves do not approve.

I ask you now to read the account of the resignation of Mr. Acret in the Washington Daily News of Wednesday, November 17, and establish in your minds the reasons why I am asking that this investigation be conducted at the present time.

I thank you. [Applause.]

THE LATE HONORABLE HUBERT HASKELL PEAVEY, FORMER MEMBER OF CONGRESS

Mr. GEHRMANN. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER pro tempore. The gentleman from Kansas is entitled to be recognized at this time. Does he yield for this purpose?

Mr. LAMBERTSON. I yield, Mr. Speaker.

Mr. GEHRMANN. Mr. Speaker, it is with extreme regret and profound sorrow that I learned of the death of my predecessor, Hubert Haskell Peavey, who distinguished himself by serving in this body from the Sixty-eighth to the Seventy-third Congress, inclusive.

Hubert Peavey, a friend of mine for many years, had not been very well during the last year or two, but certainly no one expected that he would pass from our midst so suddenly. I hereby publicly wish to extend my profound sympathy to his bereaved widow and children. His majorities accorded him by the electorate pay tribute to his popularity, because the majorities over the 12-year period amounted to more than the combined pluralities of his opponents. He served

on several important committees of the House and was the author of many important acts of Congress.

Mr. Peavey was born January 12, 1881, at Adams, Minn. His home city of Washburn, Wis., honored him by electing him as mayor for three terms, and he also represented his county in the Wisconsin Legislature. He was eminent and highly regarded in the journalism profession as a publisher of a weekly newspaper. During the World War he organized a company of volunteers and was immediately commissioned a captain. He served in that capacity for 17 months with the Thirty-second Division.

Mr. Peavey leaves to mourn his passing his widow and four children. He died November 21, 1937, and his presence and counsel will be missed by thousands of his admirers and followers in northern Wisconsin.

EXTENSION OF REMARKS

Mr. SHANNON. Mr. Speaker, will the gentleman from Kansas yield to permit me to submit a unanimous consent request?

Mr. LAMBERTSON. I yield for that purpose.

Mr. SHANNON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a sermon by the founder of the Campbellite Church on the question of war.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

THE JEFFERSON MEMORIAL IN ST. LOUIS, MO.

The SPEAKER pro tempore. Under previous order of the House the Chair recognizes the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Speaker, I feel as though I should apologize every time I take the floor to discuss the St. Louis Jefferson Memorial proposal, but this scheme is getting to be a very serious proposition. Last week the mayor of St. Louis, the city counselor, and the United States district attorney all came here to Washington to try to persuade the National Park Service or the Department of Justice to help in evolving some new scheme to get the money for this memorial before the condemnation proceedings which are now under way in St. Louis are disposed of. The promoters are far too anxious to get this project started. Now, I do not know what success has accompanied the efforts of these gentlemen in behalf of the memorial promoters. However, at this time I ask, Mr. Speaker, for unanimous consent to revise and extend my remarks in the RECORD and to include three editorials from a St. Louis newspaper dealing with various phases of the memorial matter.

Mr. ZIMMERMAN. Mr. Speaker, reserving the right to object, would the gentleman mind stating in advance from what newspaper these editorials are taken?

Mr. LAMBERTSON. They are three editorials that appeared in the Post-Dispatch in the last 10 days.

Mr. ZIMMERMAN. Does the gentleman vouch for the verity of the statements that are published in the Post-Dispatch with reference to the Jefferson Memorial?

Mr. LAMBERTSON. Oh, I think so.

Mr. ZIMMERMAN. The gentleman does!

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. LAMBERTSON. I may say that the Post-Dispatch stands very high in the newspaper field, not only of St. Louis but of the United States. Only last year it received the Pulitzer prize for the most distinguished and independent editorials of the Nation. That is the character of the paper whose editorials I shall insert in my remarks.

Mr. ZIMMERMAN. Mr. Speaker, will the gentleman yield further?

Mr. LAMBERTSON. I yield.

Mr. ZIMMERMAN. Is the gentleman aware of the fact that at one time in its history the Post-Dispatch was a very liberal newspaper and championed the cause of the common people, but that for some mysterious reason in recent years

it has had a sudden change of heart and has reversed its whole policy of many years—

Mr. LAMBERTSON. Mr. Speaker, I yielded to the gentleman for a question, not a speech.

Mr. ZIMMERMAN. I just wanted the gentleman to know what the Post-Dispatch has really done.

Mr. LAMBERTSON. I think the Post-Dispatch still adheres to its original policy of championing the cause of the common people. I want the Members to understand that in the city of St. Louis this great newspaper, this newspaper with a glorious past, takes the same attitude toward this memorial that I have taken. I have no reason to believe that the Post-Dispatch has changed its independent viewpoint in the least.

Mr. ZIMMERMAN. Mr. Speaker, will the gentleman yield?

Mr. LAMBERTSON. Mr. Speaker, I cannot yield. I have but 10 minutes and I have already yielded twice to the gentleman from Missouri. I am glad my friend from Missouri is here. Thirteen times I have spoken against this memorial. I have challenged the Members from Missouri to take this floor and defend it, and not once in the last 7 months has a single Member from Missouri taken this floor to defend this proposal. Now, if the gentleman wants to defend this proposal let him get his own time and stand up here and tell the people of St. Louis and of southern Missouri, where he comes from, how it can be justified.

I rather dare him to do it.

Mr. RICH. Will the gentleman yield?

Mr. LAMBERTSON. I yield to the gentleman from Pennsylvania.

Mr. RICH. There is no defense for the squandering of \$30,000,000 for this thing in St. Louis.

Mr. LAMBERTSON. The gentleman is correct, and no Member from Missouri has stood up here in the last 7 months to defend it.

Mr. RICH. There is no defense.

Mr. LAMBERTSON. No one from St. Louis has, either.

Mr. RICH. The gentleman is right.

Mr. LAMBERTSON. There are three Members from St. Louis here, and they do not stand up here and defend this proposition.

The President made an agreement with the mayor to spend \$3 for \$1 for St. Louis in this deal. This involves a \$30,000,000 proposition, and it was hooted down by the House. You know the history of how this commission was created. St. Louis had to vote on the proposition.

I stop in St. Louis in going and coming from my home to Washington. It is generally accepted in St. Louis from the taxi drivers to the bell hops in the hotels that the election was stolen.

Mr. Speaker, I promise the Members of the House I will quit talking on this thing if an investigation is granted. My resolution for investigation is H. R. 295. It rests in the Rules Committee. The St. Louis Post-Dispatch thinks the election was stolen; the men in the street of St. Louis think it was stolen; everybody thinks the election was stolen; and if we could open up those ballot boxes the whole thing would fall, and that would be the end. There would be no need for anything else to be done. This is relief money they are using to build this memorial with and with which to buy 37 blocks of real estate. Four-fifths of this real estate has not been rented in 15 or 20 years. The mayor of St. Louis was the head of the realty board before being elected mayor, and his scheme is to unload all of this dilapidated stuff onto Uncle Sam and get the money. They do not care about Thomas Jefferson. As a matter of fact, Thomas Jefferson has a beautiful memorial in Forest Park. It was built during the world's fair that was held in St. Louis to commemorate the purchase of Louisiana. It is a very beautiful memorial. Mayor Dickmann, as president of the realty board, is seeking to unload a lot of this old junk upon Uncle Sam and get paid for it. The President was hoodwinked into this thing. There is no question about that. I entreat you to help me get a

resolution through to investigate the whole business. That is all I ask.

The St. Louis Post-Dispatch has given me three editorials in the last 10 days to substantiate my statements. It is going to remain there a long time yet. It has been out there in St. Louis among the common people a long time. One of these editorials is headed "That Mythical \$22,500,000 That Congress Has Not Authorized Yet."

All they have is the six and two-thirds set aside by the President of the United States for relief money. That is all they have, and there is no authorization or promise that Congress will complete the deal. This is an editorial on the mythical \$22,500,000.

The second editorial appeared last Wednesday at the time of Mayor Dickmann's visit to Washington. It makes light of the idea that he could get the money ahead of condemnation proceedings. The mayor promised the people before their bond election that 5,000 men would be put to work in 10 days. That was 2 years ago. He is on a hot spot now.

The last one appeared in last Saturday's Post-Dispatch and is entitled "Lest We Forget," in which there is set forth the crooked deal, a complete history of the St. Louis memorial project, and I have received permission to put these in the RECORD.

Mr. Speaker, in view of the fact that not a Member from Missouri will stand up here and defend this thing; in view of the fact that the St. Louis Post-Dispatch believes the whole business is crooked from top to bottom; in view of the fact that it will be relief money that will be used, which will go to a lot of realty bushwhackers, taking away from the hungry the food and clothing so many need, I think this whole matter is deserving of an investigation. Do you not think so, too?

[From the St. Louis Post-Dispatch of November 9, 1937]

THAT MYTHICAL \$22,500,000

Efforts are still being made to convey the impression that the Federal Government has agreed, or is in some way obligated, to put up \$22,500,000, matching a \$7,500,000 contribution by the city, for a Jefferson Memorial project on the river front.

There has been no commitment, or any shadow of commitment, by the Federal Government to do anything of the sort. There has been no such commitment either by the executive branch of the Government or by Congress.

What the people of St. Louis voted for in September 1935 on the face of the returns was a \$30,000,000 project which they had been told would put 5,000 men to work within 10 days. We say "on the face of the returns," for it was later shown that the election reeked with fraud.

As it stands today, the project calls for an expenditure of \$9,000,000, with the city putting up \$2,250,000 and the Federal Government \$6,750,000. Not a cent more than the \$9,000,000 is in prospect.

Now, the assessed valuation of the proposed memorial site is, according to figures used by Mayor Dickmann in urging the project, \$6,000.00. In a recent case in Judge Davis' Federal court, estimates of the real value of the property, as distinguished from the assessed value, ranged from \$7,000,000 to \$15,000,000. It is doubtful, therefore, whether the whole sum available—\$9,000,000—is enough to meet the price that must be paid to the owners, and, on top of that fact, it is extremely doubtful whether the terms of the Government's grant will permit the entire contribution to be used for land purchase.

In any case, the plain fact is that the project is no longer the \$30,000,000 Jefferson Memorial project on which the people voted 2 years ago, but a plan to spend \$9,000,000, of which all, or, at best, all but a negligible sum, must go for the purchase of the site.

We repeat that there is no faint commitment on the part of the Government or any official thereof to increase the amount which the Government has allotted. To speak of "a grant of \$22,500,000 of Federal Government funds" is to speak of something that to date has been definitely refused. When the Jefferson Memorial idea was first pressed upon Congress, a resolution was introduced calling for a Government appropriation of \$35,000,000. It never got out of committee. What Congress finally passed was a resolution merely creating a Jefferson Memorial Commission, and even this resolution was not passed by the House till after Representative COCHRAN, its introducer, said in reply to heckling questions that he knew of no intention on the part of the memorial sponsors to ask Congress for money and that if they did ask for money, "they would have a hard time getting it."

After the bond issue election in 1935, Mayor Dickmann spent 3 weeks in Washington, in November, in a vain effort to get from the public-works funds at the disposal of the President the \$22,500,000 necessary to match the city's \$7,500,000. On his return to St. Louis, the mayor issued a statement saying in part:

"The Attorney General held in a written opinion that the President could not legally and ought not morally bind the Government

to the completion of a \$30,000,000 project by the acceptance of the city's \$7,500,000, unless the President had available at this time \$22,500,000 which could be definitely allocated as the Government's share of the cost. This amount the President said he did not have, and following the advice of the Attorney General, he declined to sign the Executive order submitted to him."

Later the mayor made another trip to Washington and succeeded in getting an allocation of \$6,750,000 from P. W. A. and W. P. A. funds, but the city was plainly given to understand at that time that for further funds it would have to go to Congress.

Any notion that the Federal Government is trying to hand the city \$22,500,000 for the improvement of the river front is a fantastic distortion of the record.

[From the St. Louis Post-Dispatch of November 17, 1937]

MAYOR DICKMANN'S MISSION

Mayor Dickmann is in Washington trying to persuade the National Park Service to take immediate possession of the proposed river-front memorial site, without waiting for the conclusion of condemnation proceedings.

We don't think he will have much luck. At least, he will not if the National Park Service separates fantasy from reality. If it falls in with the mayor's scheme, it may discover that the \$9,000,000 available (even assuming that all of it could be used for acquisition of property) is not enough to pay for the 37 blocks of river-front property.

The Park Service would then have on its hands part of a proposed memorial site, with no money to wreck the buildings and clear the land, to say nothing of funds to develop a park commemorating the Louisiana Purchase and the great deeds of the western pioneers.

It was to forestall just such a situation that the Government sometime ago altered its tactics toward acquiring the property. At first, it was in favor of negotiating privately with owners and of buying as much property as possible without resort to condemnation. What happened to change its mind? Did it discover the same thing the Progress Council discovered a few years ago, when it sought options on the same property, that owners had a swollen idea of its value? In any case, it was decided to attack the whole problem by condemnation, so that some unforeseen event would not leave the Government holding large blocks of property of which no possible national use could be made.

The whole memorial plan has been a comedy of errors, and the wisest thing, as we have repeatedly suggested, would be to scrap it and return the \$9,000,000 to the national and local treasuries.

[From the St. Louis Post-Dispatch of November 20, 1937]

"LEST WE FORGET"

In view of Mayor Dickmann's renewed effort to put over the Jefferson Memorial river-front project, it becomes pertinent to review some of the underlying facts.

On the theory that the project would cost \$30,000,000, with the city contributing one-fourth of the total, the voters of St. Louis were asked in September 1935 to authorize a bond issue of \$7,500,000.

The campaign for the bond issue was characterized by high-power promotion methods. The project was advertised as a means by which 5,000 men could be put to work within 10 days after the election. For the moment, the two warring Democratic factions, one headed by Mayor Dickmann, the other by William Igoe, buried the hatchet and united to "get out the vote."

Despite concerted efforts of politicians and civic leaders, a pre-election canvass indicated the bond issue was in grave danger of failure. On election eve, Mayor Dickmann called his henchmen together and, in a rousing speech, warned them that the bond issue simply had to win, telling them they would be held responsible for the results in their wards and precincts, and adding the cryptic but well-understood threat, "and I don't mean maybe."

On the face of the returns, the bond issue passed by a vote of 123,135 to 50,574—a slender margin of 7,663 more than the two-thirds majority required for passage.

A year later, in September 1935, the Post-Dispatch published the results of its investigation of the election, proving conclusively, by signed affidavits of voters and sworn confessions of election officials, that gross frauds had occurred.

An examination of the returns by wards established the highly suspicious fact that, although one-third of the city's vote was evenly divided for and against the bond issue, and that vote was scattered through nine wards in different parts of the city, the other two-thirds of the vote was 5 to 1 for the bonds!

The aggregate vote of the nine wards was 33,243 "yes" and 31,958 "no," far less than the necessary two-thirds. But in the 19 other wards the vote was 89,892 "yes" to only 18,618 "no."

When the vote in the 19 wards, which included the river and other boss-controlled wards, was broken down by precincts, the suspicion of fraud became irresistible. In precinct 2, ward 5, the recorded vote was 398 to 1. In other precincts the recorded vote was 561 to 8,400 to 6,368 to 4. First prize, however, went to precinct 4, ward 22, where every single citizen eligible to vote was certified as having visited the polls on election day. The count was 505 for the bonds, none against.

In 38 precincts of the 19 "yes" wards, 12,328 votes were counted for the bonds and only 201 against—a ratio of 60 to 1.

A recheck was made by Post-Dispatch investigators in precincts where the returns bore on their face presumptive evidence of

fraud. A house-to-house canvass of registered voters was undertaken. This was continued until it was found that more votes were cast against the bond issue than were credited in the returns. Affidavits and statements from the "no" voters were procured.

Thus in a number of precincts, where the official returns showed only 158 adverse votes, a merely fragmentary canvass showed 335 adverse votes.

As the investigation proceeded, election officials came forward to verify the evidence of fraud. Typical of them was John L. Rody, election clerk in precinct 7, ward 21. He swore as follows: "After the polls closed they put at least 200 ballots in the box. We had about 250 legitimate ballots when the polls closed, but the announced vote for the precinct was 427 to 27 in favor of the bonds."

The upshot of the Post-Dispatch investigation was to prove that in each of the 19 wards where the bonds were recorded as passed, flagrant fraud occurred.

This finding cast grave doubt on the election as a whole. It presented presumptive evidence that the election was stolen—that the voters rejected the bond issue instead of authorizing it.

As a logical sequel to this unofficial and incomplete survey, there should have been a searching investigation by the grand jury, including the reopening of the ballot boxes and a recount of the votes.

To that end Circuit Attorney Miller, to forestall the usual custom of burning ballots after 1 year, ordered them impounded until such time as he could present the case before the grand jury.

At the time the June grand jury's term was expiring, and the succeeding grand jury was occupied with the frauds that had occurred in the August primary.

It was not until the December grand jury convened that the circuit attorney was able to present the river-front bond-issue frauds. The history of that grand jury is one of the most shocking chapters in the city's annals.

It was picked by Circuit Judge Eugene L. Padberg, who chose as its foreman Patrick R. FitzGibbon, veteran Democratic politician and a jobholder in the Rolla Wells administration, who had two sons, a son-in-law, and a nephew on the city pay roll. Three other members of that jury had past or current political associations with the local Democratic party. Thus there was a total of four persons connected with politics, or a number just sufficient to block an indictment, which requires a vote of 9 to 3.

Judge Padberg failed to instruct the jurors to look into the river-front bond-issue election, but the gap was filled when Circuit Attorney Miller laid the facts before them.

A few days after it convened the jury announced it would not look into the frauds, its foreman explaining that the memorial was a "good thing" for the city and the jury did not care to do anything to jeopardize the undertaking.

One week after this decision was made the grand jury met and again refused to investigate the frauds. It adjourned until January. When it reconvened, this time under former Judge J. Wesley McAfee, it was summarily dismissed for its flagrant violation of duty—the first time in the city's history that such action had been taken by a circuit judge.

The next grand jury was called by Judge Joynt, who instructed it to go into the river-front bond-issue election frauds, and said it had a right to open the ballot boxes. But a few days later Judge Joynt reversed himself and said the jury could not open the ballot boxes. To quote from an editorial we printed at the time:

"It was as bizarre a proceeding as has ever been on public view in St. Louis. The motion upon which Judge Joynt acted was offered by three political lawyers, acting in the name of five citizens of Mike Kinney's fifth ward, all of whom confessed they were acting as dummy plaintiffs." They had been solicited to sign their names to the motion, had no interest in the case, and had paid the lawyers nothing.

This and subsequent legal proceedings, so tortuous as to be unintelligible to the lay mind, have successfully prevented public inquiry and prosecution of the election thieves.

The tie-up between the political machine responsible for the fraudulent voting and the machinery of law enforcement has prevented the airing of a public scandal.

However that may be, the undisputed and indisputable proof of wholesale fraud uncovered by the Post-Dispatch in September 1936 stands in the record.

Such is the background of a project whose aim is to memorialize that great apostle of democracy, Thomas Jefferson.

As we said on September 9, 1936:

"The city cannot afford to have it said that the building of a great monument with the people's funds is being promoted by fraudulent methods; it cannot afford to issue bonds tainted with the suspicion of dishonesty in the election back of them; it cannot afford to let the bonds which have already been sold rest under this suspicion.

"In good conscience, the city cannot afford to go forward with the memorial project unless and until it is proved by an official recount that the certified result of the election of last September was an honest expression of the people's will."

EXTENSION OF REMARKS

Mr. PETTINGILL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two different subjects.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I believe that every Member of the House of Representatives in Congress realizes there is a state of war now existing between Japan and China. Is it possible for some Member of Congress to convince the President of the United States that a state of war does exist over there? If so, I would like to have someone do it. Why can he not see it? Why does he think there is not?

We passed a neutrality act at the last session of Congress by which we endeavored to have the United States stay out of foreign entanglements. Today there are Americans doing various things in foreign countries with and by the consent and advice of the President that might eventually involve us in war. If the American people are ever going to wake up to the fact that a state of war exists in the Orient, they ought to do it now and not wait until we are implicated in a war of some kind with a foreign nation for any cause, no matter what the cause might be, because there is no act that is so important it has to be settled by sending our boys across the seas to fight on foreign soil. I am against war and will do anything to prevent it. Let us put our Neutrality Act in effect. Mr. President, do it now. [Applause.]

I am interested in another thing. We are now trying to formulate an agricultural plan. The House committee has been working diligently, but it seems as if the ideas of the Members of Congress are not going to be included in the bill which may be brought into the House because of the fact there are some people down in the Agricultural Department who are going to run the agriculture of this country, notwithstanding the fact that Members of Congress and the farmers of America might want to give their views with reference to the proposed bill. I have had three or four Members from the South ask me about my views with reference to agriculture today. I have a great interest in the farmers. I am interested in the cotton farmers of the South as well as the farmers of every other part of the country—the wheat farmer, the potato farmer, and the dairy farmer. It is a wrong philosophy to try to regulate the farmers, and prohibit the production of farm commodities, which makes for a scarcity so that the people of this country have to pay high prices, and at the same time we are not exporting any of our commodities.

Raise more, put more men to work, consume more, and let everybody have all they want to eat, do not let anyone starve, and remember that old slogan, "Hokey-Pokey, 5 a cake, the more you eat the more we make." The more a farmer produces and gets a fair price the more people can and will buy and the more satisfaction and contention among all our people. Let the slogan be "One for all and all for one."

Let the agriculture Members of the House write the bill that is to benefit the American farmer and not the Department of Agriculture who have a policy of destruction and scarcity as their guide and goal. Let us adopt the principle for the American people—more to eat and more to wear; this will help the farmer, the laborer, and the manufacturer.

[Here the gavel fell.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BOYLAN of New York (at the request of Mr. O'CONNOR of New York) on account of illness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2601. An act to provide for refund of amounts collected as tax under the Bankhead Cotton Act of 1934; the Kerr Tobacco Act, as amended; and the Potato Act of 1935; to the Committee on Agriculture.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 45 minutes p. m.) the House adjourned until tomorrow, Tuesday, November 23, 1937, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the sales tax subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m., Tuesday, November 30, 1937. Business to be considered: Hearings on H. R. 4722, H. R. 4268, and H. R. 4214.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

844. A letter from the secretary, Interstate Commerce Commission, transmitting a copy of the decision by division 3, dated October 15, 1937, in air-mail docket No. 25; to the Committee on the Post Office and Post Roads.

845. A letter from the secretary, Interstate Commerce Commission, transmitting a copy of the decision by division 3, dated October 21, 1937, in air-mail docket No. 27; to the Committee on the Post Office and Post Roads.

846. A letter from the secretary, Interstate Commerce Commission, transmitting a copy of the decision by division 3, dated September 16, 1937, in air-mail docket No. 14; to the Committee on the Post Office and Post Roads.

847. A letter from the secretary, Interstate Commerce Commission, transmitting a copy of the decision by division 3, dated September 7, 1937, in air-mail docket No. 11; to the Committee on the Post Office and Post Roads.

848. A letter from the secretary, Interstate Commerce Commission, transmitting a copy of the decision by division 3, dated September 15, 1937, in air-mail docket No. 24; to the Committee on the Post Office and Post Roads.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JENKINS of Ohio: A bill (H. R. 8464) to repeal the surtax on undistributed profits and the limitation on capital net losses; to the Committee on Ways and Means.

By Mr. GIFFORD: A bill (H. R. 8465) providing for the examination and survey of the harbor at Pond Village Landing, Truro, Mass.; to the Committee on Rivers and Harbors.

By Mr. THOMPSON of Illinois: A bill (H. R. 8466) authorizing the city of Rock Island, Ill., or its assigns, to construct, maintain, and operate a toll bridge across the Mississippi River at or near Rock Island, Ill., and to a place at or near the city of Davenport, Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. LANHAM (by request): A bill (H. R. 8467) to amend section 5 of the 1905 Trade-Mark Act, as amended, and for other purposes; to the Committee on Patents.

By Mr. WALTER: A bill (H. R. 8468) to provide for additional United States district judges in the States of Georgia, Louisiana, Texas, Michigan, Ohio, Washington, California, Kansas, and the District of Columbia; to the Committee on the Judiciary.

By Mr. WILCOX: A bill (H. R. 8469) granting exemption from taxation of so much of the net income, not exceeding 50 percent thereof, of individuals and corporations as shall be used for construction or repair of buildings or other improvement of real estate; to the Committee on Ways and Means.

By Mr. PETERSON of Florida (by request): A bill (H. R. 8470) to amend the now existing pay schedules of the enlisted personnel of the Army, Navy, Marine Corps, and Coast Guard; to the Committee on Military Affairs.

By Mr. SNELL: A bill (H. R. 8471) to repeal section 14, title I (surtax on undistributed profits), and section 117, title I (capital gains and losses), of the Revenue Act of 1936; to the Committee on Ways and Means.

By Mr. POAGE: A bill (H. R. 8472) to provide parity of prices paid to farmers for cotton marketed by them for domestic consumption, and for other purposes; to the Committee on Agriculture.

By Mr. MAGNUSON: A bill (H. R. 8473) to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of the admission of the State of Washington to the Union; to the Committee on Coinage, Weights, and Measures.

By Mr. DIXON: A bill (H. R. 8474) to provide benefits for women who served with the American Expeditionary Forces during the World War; to the Committee on World War Veterans' Legislation.

By Mrs. ROGERS of Massachusetts: Resolution (H. Res. 358) providing for the appointment of a select committee of House Members by the Speaker to inquire into the operation of all trade agreements entered into by the United States and foreign Governments to ascertain (a) their effect upon the production of American manufactures and farm products; (b) their effect upon employment of labor in industry and agriculture; and (c) their effect upon wage scales, wages in general, and the cost of living and standards of living; to the Committee on Rules.

By Mr. CULKIN: Resolution (H. Res. 359) asking investigation of reports of wire tapping in the Department of Interior; to the Committee on Rules.

By Mrs. NORTON: Resolution (H. Res. 360) authorizing the Committee on Labor of the House of Representatives to have printed for its use additional copies of part 2 of the joint hearings on the bills (S. 2475 and H. R. 7200) to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes; to the Committee on Printing.

By Mr. SCOTT: Resolution (H. Res. 361) authorizing an investigation of the National Bituminous Coal Commission; to the Committee on Rules.

By Mr. FULMER: Joint resolution (H. J. Res. 513) providing for cotton price-adjustment payments to cotton producers who suffered a partial or total cotton-crop failure; to the Committee on Agriculture.

By Mr. TAYLOR of Colorado: Joint resolution (H. J. Res. 514) proposing an amendment to the Constitution of the United States fixing the terms of office of Representatives in Congress; to the Committee on Election of President, Vice President, and Representatives in Congress.

Also, joint resolution (H. J. Res. 515) proposing an amendment to section 7, article I, of the Constitution of the United States, permitting the President of the United States to disapprove or reduce any item or appropriation of any bill passed by Congress; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALESHIRE: A bill (H. R. 8475) for the relief of Forest E. Counts; to the Committee on Claims.

By Mr. DIMOND: A bill (H. R. 8476) for the relief of Mrs. A. Burr; to the Committee on Claims.

By Mr. FERNANDEZ: A bill (H. R. 8477) for the relief of Mato, Miljenko, Bozo, and Augustin Cibilic or Zibilich; to the Committee on Immigration and Naturalization.

By Mr. GREEN: A bill (H. R. 8478) to confer jurisdiction upon the United States District Court for the Southern District of Florida to determine the claim of Ella McGriff; to the Committee on Claims.

By Mr. IZAC: A bill (H. R. 8479) for the relief of Jane Murrah; to the Committee on Claims.

By Mr. McMILLAN: A bill (H. R. 8480) for the relief of Lt. Comdr. James T. Mathews; to the Committee on Claims.

By Mr. O'BRIEN of Illinois: A bill (H. R. 8481) for the relief of Oskar Herlins; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3385. By Mr. KEOGH: Petition of the Swan Finch Oil Corporation, of New York City, concerning repeal of certain taxes; to the Committee on Ways and Means.

3386. Also, petition of the Investment Bankers' Association of America, Boston, Mass., concerning capital gains and undistributed profits taxes; to the Committee on Ways and Means.

3387. Also, petition of the Brotherhood of Railroad Station Porters, Philadelphia, Pa., concerning the wage and hour legislation favoring red caps; to the Committee on Labor.

3388. Also, petition of the Wagner Baking Corporation, Newark, N. J., concerning taxes on wheat, cotton, rice, etc.; to the Committee on Ways and Means.

3389. By the SPEAKER: Petition of the District organizing committee of the United Federal Workers of America, praying for the enactment of House bills 8428 and 8431; to the Committee on the Civil Service.

3390. Also, petition of the National Restaurant Association, Chicago, Ill., pertaining to wages and hours; to the Committee on Labor.

3391. By Mr. CULKIN: Petition of the Chamber of Commerce of the State of New York, opposing enactment into law of the Black-Connery wage and hour bill; to the Committee on Labor.

3392. Also, petition of members of Albion Center Grange, No. 270, Altmar, N. Y., opposing the adoption of the Black-Connery wage and hour bill; to the Committee on Labor.

3393. Also, petition of the Lewis County committee of the American Legion, Department of New York, protesting against the United States entering into reciprocal-trade agreements and concessions with any foreign country which will permit foreign-made goods to be sold in competition with American goods; to the Committee on Ways and Means.

3394. Also, petition of the Brookfield Grange, No. 1235, Brookfield, N. Y., opposing the passage of the Black-Connery wage and hour bill; to the Committee on Labor.

3395. Also, petition of the American Hotel Association of the United States and Canada, opposing the provision of the Black-Connery wage and hour bill or any other national legislation affecting wages and hours; to the Committee on Labor.

3396. Also, petition of the Domestic Grange, No. 98, Scriba, N. Y., with 300 members, opposing passage of the Black-Connery wage and hour bill; to the Committee on Labor.

3397. Also, petition of the Owahgena Grange, No. 1358, Cazenovia, N. Y., opposing the Black-Connery wage and hour bill; to the Committee on Labor.

3398. Also, petition of the Madison County Pomona Grange, New York, opposing war as a means to settle international disputes; to the Committee on Foreign Affairs.

3399. Also, petition of the American Hotel Association of the United States and Canada favoring modification, repeal, or amended of the undistributed-profits tax and the capital gains tax; to the Committee on Ways and Means.

3400. Also, petition of the New York Board of Trade, favoring immediate repeal of the undistributed profits tax; to the Committee on Ways and Means.

3401. Also, petition of the Woman's Christian Temperance Union of Pretty Prairie, Kans., urging enactment of the Capper-Culkin anti-liquor-advertising bill (H. R. 4738); to the Committee on Interstate and Foreign Commerce.

3402. Also, petition of the Woman's Christian Temperance Union of LaFargeville, N. Y., urging early consideration of

motion-picture bills (S. 153, H. R. 1669, 22, and 23); to the Committee on Interstate and Foreign Commerce.

3403. Also, petition of the New Haven Grange, New Haven, N. Y., opposing passage of the Black-Connery wage and hour bill; to the Committee on Labor.

3404. By Mr. FISH: Petition signed by Ella P. Haight and 34 other residents and citizens of Bangall and Stanfordville, Dutchess County, N. Y., favoring the Capper-Culkin bill to prohibit radio liquor advertising; to the Committee on Interstate and Foreign Commerce.

3405. Also, petition of 30 residents and citizens of Amity, Orange County, N. Y., favoring House bill 3140, which prohibits the advertising of alcoholic beverages by radio; to the Committee on Interstate and Foreign Commerce.

3406. By Mr. LUTHER A. JOHNSON: Petition of D. L. Fussell, A. J. Sanders, S. J. Camay, L. B. Cry, B. S. Hudgins, G. O. Lewis, Ed Latimer, H. W. McGilvray, S. J. Callaway, J. C. Roberts, C. A. Roberts, J. Roberts, L. R. Fegurson, P. R. Calloway, B. C. Hamilton, and B. A. Thompson, members of the Mount Calm Agricultural Association, Mount Calm, Tex., making recommendations concerning the farm bill as affecting production of cotton; to the Committee on Agriculture.

3407. Also, petition of J. P. Sewell, Midlothian, Tex., and E. H. Hines, Groesbeck, Tex., making recommendations concerning the farm bill as affecting production of cotton; to the Committee on Agriculture.

3408. By Mr. POLK: Petition signed by W. J. Boyd and 27 other employees of the Norfolk & Western Railroad Co., asking that the Railroad Retirement Act be amended to provide for optional retirement with full benefits at age 60 and compulsory retirement at age of 65; to the Committee on Interstate and Foreign Commerce.

3409. Also, petitions signed by John W. Craig, O. H. Morrow, Morgan Wellman, and 12 other employees of the Norfolk & Western Railroad Co., asking that the Railroad Retirement Act be amended to provide for the retirement of railroad employees at age of 60; to the Committee on Interstate and Foreign Commerce.

3410. Also, petition signed by B. R. Wallace and 55 other employees of the Norfolk & Western Railroad Co., asking that the Railroad Retirement Act be amended to provide for the retirement of railroad employees at age of 60; to the Committee on Interstate and Foreign Commerce.

3411. Also, petition signed by O. M. Duncan and 36 other employees of the Norfolk & Western Railroad Co., asking that the Railroad Retirement Act be amended to provide for the retirement of railroad employees at age of 60; to the Committee on Interstate and Foreign Commerce.

3412. By the SPEAKER: Petition of the Jewish peoples committee, setting forth the plight of the Jews in Poland; to the Committee on Foreign Affairs.

3413. Also, petition of the Kerrs Legal Research Bureau, relating to court reorganization bill; to the Committee on the Judiciary.

3414. Also, petition of the Labor Alliance of America, relating to the proposed Supreme Court bill; to the Committee on the Judiciary.

3415. Also, petition of Charles X. Newman, relating to the employment under Works Progress Administration; to the Committee on Appropriations.

3416. Also, petition of the colored citizens at Pilgrim Baptist Church, Chicago, Ill., relating to the Supreme Court bill; to the Committee on the Judiciary.

3417. Also, petition of the committee on activity, Sons of the Revolution, relating to the reorganizing of the judiciary; to the Committee on the Judiciary.

3418. Also, petition of the Kings County Consolidated Civic League, relating to housing projects; to the Committee on Banking and Currency.

3419. Also, petition of Crescent Lodge, No. 115, Knights of Pythias, relating to the death of the Honorable R. P. Hill; to the Committee on Memorials.